THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

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FILE COPY

LOOK FOR PRICE REDUCTIONS BY U.S. STEEL CORP.

Rumor That New List Will Be Announced on April 15

INDUSTRIAL OUTLOOK

Business Conditions in Unsettled Condition—Long Period of Keen Competition Ahead

The steel market is full of rumors. In fact there are more rumors than orders. Nearly all of these have to do with the policy of the United States Steel Corporation in the matter of changing its price schedule. The Corporation is being soundly "rapped on the knuckles" for not pruning its price list by those who may have business to place, or imagine that a new price list would help matters, and at the same time it is being openly and silently blessed by those who have large stocks of high-cost material that they are trying to sell or work out before the break comes.

So there it rests, and the Corporation is going to make friends and enemies standing still or announcing a revised list.

One Toronto steel merchant this week stated that he was quite certain the Corporation would announce a new list on the 15th of April, and that bar mill material would be put down at 1.75 against the present 2.35. A ten-year average, from 1904 to 1913, is 1.403c per pound. The average from 1912 to the end of 1919 is 2.04c per pound, but were the year 1917 taken out the average comes down to 1.84c.

When asked what there was to the rumor of the new list on April 15, the Toronto representative of the Corporation's export trade looked interested and said it was all news to him.

Looks for New Price Soon

A New York correspondent of THE FINANCIAL POST, very closely in touch with the iron and steel world, states:

"Our steel industry finds the situation complicated by the diverse price policy of the Steel Corporation and the independents. The corporation will not be long out of line with the general downward tendency. Having large orders on its books, naturally it did not want to revise these downward, and every week it can get by without reducing prices and wages it is helping many of its customers in the gradual and safe liquidation of their own order books. Time is a great element in the present adjustment."

Meanwhile steel warehouses in this district are busy getting rid of their stock. One dealer stated the case correctly when he said, "We are trying to see how much business we can do on as little loss as possible."

Industrial Situation

Any readjustment in steel prices by the Steel Corporation will have an important bearing not only on the steel trade, but on industry as a whole, for the use of this material is so widespread that business generally is bound to profit by the change.

The industrial situation continues unsettled, with no immediate prospect of relief. A disquieting rumor was in circulation this week to the effect that one of the largest industrial plants in Ontario was on the point of closing down for an indefinite period, because of lack of orders. The report has not been confirmed but there is no doubt that trade in the lines produced by this company has developed an extreme quiet of late, in partial sympathy with conditions elsewhere.

The outlook for the firms engaged in the manufacture of men's wear and clothing has improved very materially of late. In fact these companies are now reported to be working at normal capacity, one firm even finding it necessary to work overtime in order to supply the orders on hand. These companies have generally suffered a heavy loss during the present readjustment period, but their stocks have been fairly well liquidated and they are now prepared for new business. Clothing manufacturers, however, are not looking for large profits this year,

Continued on page 9.

NON-PARTISAN LEAGUERS ACTIVE IN SASKATCHEWAN.

The Non-Partisan Leaguers have nominated their first candidate in Saskatchewan for the provincial election which, rumor says, will be held in May or June. John Shabits, reeve of the rural municipality of Buchanan, was nominated at Canora, Sask., for that constituency after a stormy session. Feeling is running high in this district over the appearance of the Leaguers and the convention was forced to hold their meeting in a pool room after having been denied the use of several other meeting halls.

BALLANTYNE ON MARINE DID NOT FIGURE INTEREST

Ottawa Critics Puzzled As To Just What Figures Indicate

ESTIMATING CAPITAL

From Our Own Correspondent.

OTTAWA.—The statement of the Minister of Marine, Hon. C. C. Ballantyne, regarding the Canadian Mercantile Marine leaves the critics almost as far apart in their construction of its exact significance as they were with the statement delivered by the Minister of Railways. Hon. Dr. Reid frankly stated a loss, though not nearly as large as the majority of the financial figures have since made it. Hon. Mr. Ballantyne's statement shows a paper profit, but it is such as few owners of stock in a private shipping concern would be inclined to congratulate themselves upon.

The profits, or net earnings, as they were called, as figured out in this statement, on the 47 ships in operation during 1920, amounted to over $750,000, which, the Minister added, "was equal to 2.35 per cent. interest on notes given to the government for the full cost of the ships." This full cost is given at $50,000,000 and a little calculation will show that even the paper profit is not correctly estimated. The net earnings of $781,460.09 would figure out at about 1.56 per cent. on $50,000,000.

A fair calculation to get at the approximate interest may be made by recalling that the money was raised on Victory bonds, which, at 5½ per cent., would make the interest total $2,750,000. Deducting the net earnings of $781,000, the loss on the year's operations appears to be something about $2,000,000.

Present Problems

The Minister gave many reasons, some of them very adequate, for the unfortunate showing which the Canadian Mercantile Marine, in common with all shipping operations, is undergoing at the present time. There is a total of 16,000,000 more world tonnage than there was before the war. The abnormally high costs of operation have kept up, while freights have been steadily sagging downwards. It is known that on some of the trade routes from Great Britain freights have fallen as low as one-tenth of what they were during the war. Freight offerings, too, have fallen heavily, so that enormous quantities of shipping are laid up all over the world. Our ships have never been able to secure capacity cargo, and at the present time a considerable number of them are awaiting cargo with offerings decreasing.

Over-Optimistic

There was a tone of optimism in the Minister's statement which the world situation would hardly seem to justify; and though it is probably true, as he stated, that cost of operation of our ships, which is now exceeded by those of both Great Britain and the United States, will decline, it has not begun to do so appreciably yet, while freights on which those costs may be assumed to have been based, have declined very heavily. He also appeared to be somewhat too optimistic regarding the price of shipping to-day. Our ships cost an average of $191.95 per dead-weight ton, and are carried at this price in the financial statement. Mr. Ballantyne gave the price of similar ships in the United Kingdom to-

Continued on page 9.

OPERATE ONLY RAILWAY LINES THAT WILL PAY

Let Rest Rust Until Immigration Makes Them Profitable

$200,000,000 A YEAR

Required For Deficit And New Equipment—M.P.'s Are Amateurs—Expert Board Needed

From Our Own Correspondent.

MONTREAL.—Business men here are doing some hard thinking on the railway problem these days. Montreal is not known as an enthusiastic public ownership centre, but the opinions expressed savor little of condemnation of so much Government control, except as it is believed to accentuate the seriousness of conditions. There is no gloating over the "horrible example" of Government control and direction thus furnished; things are admittedly too serious for that.

To men accustomed to the "writing down" of inventories these days in their own business the writing-down suggestion of T. A. Crerar, however, fails to carry an appeal. "Suppose we decided to set a value of $1,000,000,000 on the national railways and scrap as a national loss the other billion dollars, what good would that do? The Government roads would still be losing $100,000,000 a year. This loss as admitted at Ottawa does not take into consideration one cent of interest on the national expenditure as such; the International lost money, and is losing money to-day, on operation alone, without counting interest.

All Lines Must Pay

It is agreed that the roads must be put in a position to pay their way on operation at least. That is recognized as the first essential, whether it is decided finally to continue them under the Government or sell or lease to a private corporation. Some talk is heard of handing the whole mileage over to the Canadian Pacific Railway Company to co-ordinate, temporarily at least, with their own lines, and stop the deficit. Another suggestion made is that an independent commission be formed, with the C.P.R. represented to operate all the lines in Canada until such time as business conditions return to normal, and an influx of immigration provides traffic on a profitable basis for the Western lines. This, however, must be dismissed as a solution that is obviously impracticable under political conditions as they influence all three parties in the country.

Nor is there any disposition to await calmly the inflow of immigration. It took twenty years of immigration to make the C.P.R. pay, and it is recognized that the country could hardly stand the strain one-quarter of that time under existing railway deficits without a drastic remedy. To-day the deficit is running about $100,000,000 a year, and to operate the roads as first-class railways would take an annual expenditure on capital account of $100,000,000 more, and the present $2,000,000,000 invested in the roads would then have grown to $3,000,000,000.

The appointment of a Parliamentary committee of investigation carries little comfort. What could a group of amateurs do with a difficult railway problem? it is asked. Putting the question on a non-party basis so far as Parliament is concerned would not help the railway problem materially, however it might relieve the embarrassment of the Government.

The following solution is offered by one of the best trained business minds in Canada. His line of reasoning runs somewhat along these lines:

The only hope for the national lines is to disregard everything except the question as to whether the various sections pay or not. Those that do, and only these should be continued in operation; the rest should be stopped. There is useless duplication all over the country, east and west alike, although probably more non-paying sections in the West as a re-

Contiued on page 8.

SPECULATING IN OIL

If later discoveries in the oil fields of North-Western Canada bear out the showing made by the pioneers and justify the convictions of scientists and experts, a vast new source of wealth will be opened, and if transportation problems can be solved, much money will be made—but much money will also be lost. This has been the experience not only in other oil fields, but in practically all projects where the development of natural resources promises quick returns.

As in other fields of investment or speculation, THE FINANCIAL POST proposes to protect the interests of its readers and those to whom THE FINANCIAL POST is held up as an authority. But the extent to which such protection can be offered becomes more indefinite as the possibilities of rewards increase. Generally speaking, oil propositions should not be entered into by those who cannot afford or who are not prepared to take a loss. Beyond that it is difficult to go, except to take precautions that the investment is going into actual prospecting or development in a field with known possibilities and not into the pockets of some one disposing of worthless real estate.

This week a complaint was received from an English investor that he had been "done" in connection with an oil proposition advertised in THE FINANCIAL POST, but investigation proved that he had not even dealt with the company's agents, but with an unauthorized intermediary who did not deliver the stock. It is not possible to protect investors who neglect the most simple precautions.

Following its usual policy, THE FINANCIAL POST will investigate offerings of oil stocks before accepting advertising. This does not mean that a company whose advertising is accepted is a "sure thing." There are few, if any, "sure things" in oil speculation. But the investor has a right to expect what many have called "a run for his money." Some of the points which will have our consideration are:

Do promoters actually own property advertised?
Is the location in a recognized oil territory?
Is the money realized going into actual development?
Are promotion expenses reasonable?
Are the directors men of good standing?

Turnover Tax approved by Manufacturers and Merchants

General Agreement as to Principle Involved in Proposal

But Difference of Opinion With Regard to Application

A strong indorsement of the Turnover Tax was presented to the joint conference of the Canadian Manufacturers', Wholesalers' and Retailers' Associations at Toronto. It is practically in complete accord with the proposals that have been favorably discussed by THE FINANCIAL POST. While some slight variation of methods of applying the tax to specific industrial conditions may be expected, it is safe to assume that in the proposals as tabled by the committee of the Manufacturers' Association a practical solution of Canadian revenue and taxation measures has been suggested. Concisely the programme is:—

1. The repeal of the Business Profits Tax.
2. The abolition of the Income Tax on corporations.
3. The extension of the present Sales Tax, in its present system of collecting, to a point that will produce the required revenue.

This conference, which was convened at the suggestion of Sir Henry Drayton, was asked to definitely define the terms manufacturer, wholesaler and retailer, and to suggest a workable tax scheme. While the above proposal received general support and approval, the question of its application provoked opinions of seemingly irreconcilable purport.

The retailers, on account of their greater number, maintain that the tax should be collected "at the source," namely, the manufacturer and the importer. The manufacturers hold that the retailer should likewise pay the tax, in order that there may be no discrimination.

The suggestion of one of the delegates to this conference appears sound, viz.: that a general approval of the Turnover Tax be forwarded to Ottawa, together with a concise definition of manufacturer, wholesaler and retailer, and that, with the knowledge of the required revenue, the department be allowed to define and apply a sufficiently wide system to raise such revenue.

FRENCH GOLD ARRIVES

French liner La Lorraine arrived in New York with 116 boxes of gold, valued at approximately $4,000,000. Of these 103 boxes are from the Bank of France and consigned to the Federal Reserve Bank. The remaining 13 are from private bankers and are consigned to the Equitable Trust Co.

STEEL PRICES CUT

Important Reductions Announced at Chicago

Sweeping price reductions are announced by leading steel warehouse interests in Chicago on practically all grades of stock. Union Station Co. has placed the order for 7,000 tons of structural steel for the new railway mail post-office with the McClintic-Marshall Co., of Pittsburgh. Price is understood to be slightly under $74 a ton comparing with $95 to $105, the prevailing level six months ago, and the pre-war range of $50 to $55.

CHARTER ASKED FOR PIPE LINE CO.

Imperial Oil Company Takes Important Step Looking to Future

In pursuance of plans to develop the oil field at Ft. Norman, 2,000 miles north of the Alberta Capital, the Standard Oil Co., of New Jersey, through its Canadian subsidiary, Imperial Oil, Ltd., has had introduced a bill into the provincial legislature to incorporate Imperial Pipe Line Co. The incorporator is Chas. Taylor, superintendent in the West for Imperial Oil. The capital stock mentioned is $10,000.

RIORDON COMPANY TO MAKE NEW ISSUE

Financial Help Needed to Provide Adequate Working Capital

From Our Own Correspondent.

MONTREAL—At a conference held on Wednesday by Canadian and American investment and banking institutions, who have been responsible in the past for financing in connection with the Riordon Pulp & Paper Co. and later the Riordon Company, arrangements were completed for a new issue that will provide for an adequate working capital. With the pine lumber operations on the Gatineau there is required about $10,000,000 during the winter months on logging account, which is provided for by returns on manufacturing account during the next six months or so. These extensive operations, as well as the final completion of the Kipawa mill, call for additional capital and hence the new issue. The company's sales for 1920 are said to have exceeded $19,000,000, while gross profits reached close to $6,000,000.

Sir Marcus Samuel has resigned as head of Shell Transport & Trading Co., British end of Royal Dutch-Shell combine, according to Herald copyright London cable.

MARKET TRADING CONTINUES DULL AND RESTRICTED

Entire Absence of Constructive Force in Evidence This Week

PAPERS WEAKER

Reflect Adverse Influence of Decision of Paper Company To Cut Dividends—Wall Street Reactionary

There was an entire absence of constructive force in evidence this week to shake the stock markets from their lethargic attitude, which has now prevailed so long that it would appear to have become constitutional. Market trading continues along highly restricted lines with sentiment acutely depressed. In fact, a new low record for a single day's trading for the year was set up in Montreal on Wednesday of this week when market transactions aggregated 3,502 shares, which figure is approximately 100 less than the previous low record set up at the close of January. On the Toronto exchange the absence of buoyancy was equally conspicuous, although there was a slight tendency to firmness at the close of the week.

An unfavorable development was the announcement of the decision of a Canadian paper company to cut its dividend rate from 6 to 4 per cent. The news was not wholly unexpected and had been largely discounted by the markets, and for this reason the reaction following the announcement was only of moderate proportions, and did not extend with any outstanding force to the balance of the paper list. The development is significant, however, and will have the broader tendency of prolonging the period of market depression. There were a few instances of aggressive tendencies in the market list, but on the whole movements were mainly irregular in character.

The actions of Wall Street were not of such nature as to inspire the local markets with any degree of enthusiasm. The American market was again depressed, with the rails conspicuous among the weaker members. This influence was extended to the rails and tractions on the Canadian list, which were reactionary to a minor degree. The solution of the wage controversy is one of the most momentous questions affecting securities of this category, and so far little or no action has been taken with a view to restoring wages on a saner basis. In fact, the high rate of wages now prevailing is admittedly one of the factors in delaying the price adjustment of commodities generally. This influence is reflected, too, upon the general trend of business, which, at the present time, continues along restricted lines, with no immediate prospect of a general improvement in sight.

THE POST

THIS WEEK CONTAINS

Province of Ontario Pays $16,500,000 Annually in Fire Insurance .. 2
The Grain Exchange an Efficient Organization 3
Rapid Progress Made in the Development of Canada's Water Powers .. 3
London Street Railway Wants More Revenue 4
Directors of Goodyear Tire Defer Payment of Preferred Dividends 5
Why Abitibi Co. Decided it Best to Cut Dividends 6
Reorganization of Goldfields at Larder Lake 7
Canada's Banks Will Accompany the Pioneers 8
What Managers Should Look For in Statements 9
Bank Trades in Credit But Does Not Create It 9
Some Arguments for an Advisory Tax Commission 10
Replies to Inquiries Upon Investments 11
Metropolitan Commission Has Powers Over Island of Montreal 12
Montreal Wages Lively Campaign Over New Charter 13
The Maritimes Do Not Attract Funds of Life Insurance Companies.... 14
Easier Money is Predicted for Mortgage Loans 14
C.P.R. Program Displays Great Faith in the Future 15
U.S. Imports for February Were Somewhat Lower 16
EDITORIAL
A Dog-in-the-Manger Policy — The Transportation Burden — Canadian Goods Must Stand on Merits—Aiding the Municipalities 10

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Established over 100 Years.

Capital Paid up - - - - - - $22,000,000
Rest - - - - - - $22,000,000
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Head Office: Montreal Established 1864

Paid-up Capital..$10,029,622
Reserve Fund 9,475,585
Total Deposits (Oct. 30, 1920), over $170,000,000
Total Assets (Oct. 30, 1920), over $209,000,000

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399 Branches in Canada extending from the Atlantic to the Pacific

File Your Income Tax Returns

The income tax returns for 1920 of all individuals resident in Canada must be filed with the Dominion Government on or before April 30, 1921. The Government this year requires you to forward with your return 25% of the tax due.

Union Bank of Canada

893

Your Business Account

WITH a long chain of branches in Canada doing a general banking business, and affiliated with financial institutions embracing the markets of the world, The Dominion Bank provides its patrons with efficient and comprehensive banking service.

839

THE DOMINION BANK

The Weyburn Security Bank

Chartered by Act of the Dominion Parliament

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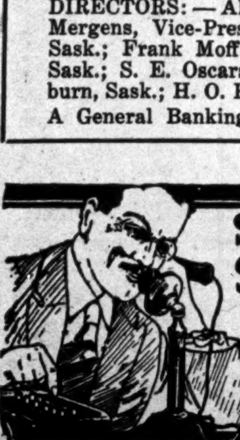
A General Banking and Foreign Exchange Business Transacted.



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ANNUAL COST OF FIRE INSURANCE IS $16,500,000

Ontario Pays Heavily For Insurance Protection Against Fire

AGENTS' COMMISSIONS

Superintendent of Insurance Discusses Department's Plan for Reducing Insurance Costs to Public

Superintendent of Insurance V. Evan Gray, of the Province of Ontario, in his special report to the Attorney-General reviews the details of the movement that has been instituted by the department for the lowering of fire insurance costs. The fact that the public of Ontario pay more than $16,500,000 annually to registered fire insurance companies for fire insurance protection, he points out, makes the matter one of general interest and concern.

Fire insurance agents' commissions have been the subject of regulation in many parts of the world, and even in Ontario, outside of the city of Toronto, some commission rules were in effect. The rules are usually made and enforced by associated companies. There are exceptions in England and the United States in regard to workmen's compensation and life insurance in which the Imperial Parliament and the Legislature of New York state have fixed maximum commissions for agents of insurance companies carrying on these classes of business. Mr. Gray outlines the department's position as follows:

The repeated attempts of the companies associated in the Canadian Fire Underwriters' Association to determine and administer commission rules in the City of Toronto have always proved abortive. This has been due chiefly to the fact that in Toronto as in other large cities in Canada and the United States, there are two competing systems of company representation which are known as the branch office and the general or chief agency systems. Another source of difficulty and dissatisfaction is the fact that the companies pay to Toronto agents higher rates of commission on insurance of risks located outside of Toronto than they will pay their own agents who reside in the place of location of the risk. Having come to certain conclusions as to the form of regulation which would secure the elimination of many abuses in the agency system and a reduction of insurance costs to the public, the department endeavored to secure the adoption of its plan by the insurance companies operating in the province by some voluntary agreement which could be adopted by the companies and enforced by them.

Proceedings Outlined

There follows a detailed outline of later meetings for the purpose of arriving at some satisfactory basis of agreement between the companies, the agents and the department, the proceedings of which have been dealt with in these columns. The department, he points out, has earnestly endeavored by constructive effort to assist in the elimination of the abuses arising out of the high costs of insurance, but all proposals for the regulation of commissions and for the reduction of rates were rejected at a special meeting of the Canadian Fire Underwriters' Association in Montreal. Public attention, he adds, should be centered on these abuses until they are removed.

Mr. Gray discussed proposed changes in the Insurance Act as affecting other branches of insurance. The department, he pointed out, contemplates some changes in the form of statement required to be filed with the department by provincial licenses for the purpose of simplifying in so far as possible the form in which the statements are required to be filed, and of securing a greater uniformity in the forms of return required to be filed with the Dominion department and the departments of insurance in other provinces. Although considerable progress has been made, he adds, the results cannot be availed of sooner than the statement which will be due at the end of the present year. A thorough revision of the Ontario Insurance Act is under consideration in order to fulfill the recommendations of the Hon. Justice Masten, insurance commissioner.

BRAZILIAN TRADE

Consul for Canada Thinks We Should Import More

From Our Own Correspondent.

HALIFAX.—In conversation with Mario Fernandes, the Brazilian consul for Canada, whose office has recently been removed from Montreal to Halifax, he informed THE FINANCIAL POST that it always appeared strange to him that there is not more direct trade between Canada and Brazil. Canada sends large exports of fish to that country, and its exports of newsprint, lumber and other articles are on a substantial scale. Yet the Canadian imports from Brazil are comparatively small. He thinks this the more remarkable since the establishment of a service by the steamships of the Canadian Government Merchant Marine. These boats take fair cargoes from Canada to the ports of Brazil, but there are no direct return cargoes. The ships will load for New York, he says, with a return cargo and then come on to Halifax empty. Brazil has rubber, cocoa beans, manganese, coffee and many other articles which Canada requires. If they are used by Canadians they are bought at second-hand from the United States. What is needed, Mr. Fernandes thinks, is education as to the possibilities and advantages of direct importations from Brazil and the breaking away from methods followed in the past which have no real advantage except that they are old and have been tried.

PACKERS LEAD IN REDUCING WAGES

Have Taken Lead in States While Steel Makers Evade Issue

Chicago packers have taken the initiative in attacking high living costs by ordering a reduction in the wages of employees and set the pace in the United States after steel makers had declined to assume the leadership. Salaries in the big packing plants have been cut and hours lengthened. Those paid by time will be reduced 8 cents per hour and piece rates will be cut 12½ per cent. The reduction will affect 100,000 men. The packers will cease paying time and a half for overtime in excess of eight hours a day, but time and a half will be paid for work done in excess of 54 hours in any one week. The minimum wage guaranty of 40 hours per week will be continued. Double time will be paid for Sunday and holiday work.

In announcing the cut, Swift & Co. said:

"The practice of paying time and a half for the ninth and tenth hours and the minimum of 44 hour guaranty meant an expense to our company in 1920 of $1,653,000 which represented 2,700,000 hours' pay without any corresponding production. More than $400,000 of this amount was paid to make good on the 44 hour guaranty. Wages of common labor in the packing industry were increased more than 200 per cent. since 1914. The present cut of 8 cents per hour will be a reduction of approximately 15 per cent."

The announcement of J. Ogden Armour said:

"This does not mean the elimination of the eight-hour day as the revision affects chiefly the killing gangs, whose hours of labor are determined by livestock receipts, over which packers have no control. These receipts, vary from day to day, providing much less than eight hours' work some days and more than eight hours' work on other days. To ensure employees equitable earnings despite fluctuations of receipts, the industry guarantees pay for 40 hours of work whether or not that amount of work is actually done."

"McADOO MECHANICS" IN RAILROAD SHOPS

Name Given to Those Qualified As Machinists by a Federal Order

President J. M. Kurn, of the St. Louis-San Francisco Railway, has prepared a questionnaire and the answers to it for the purpose of illustrating some phases of the existing wage situation on the railroads. A few excerpts from it follow:

1. (a) Is it true that under the present classification rules of the shop crafts, in order to change a nozzle tip in the front end of a locomotive, it is necessary to call a boilermaker and his helper to open the door, because that is boiler makers' work; to call a pipeman and his helper to remove the blower pipe, because that is pipemen's work; and to call a machinist and his helper to remove the top, because that is machinists' work; also for the same force to be employed for putting in the new tip?

Answer. — Full compliance with the national agreement requires the procedure outlined in the question.

(b) Is it true that before Federal control a machinist's helper, or a handy man, could put in the nozzle tip alone?

A.—Yes.

2. (a) Is it true that men working on trucks, spring work and kindred occupations, and paid, before Federal control, handymen's or helpers' wages, or shade above common laborers' pay, were made mechanics by Supplement No. 4, issued by Mr. McAdoo, and are now receiving 85 cents per hour. mechanics' pay?

A. Yes.

(b) Is it true that all of these mechanics are called McAdoo mechanics, because they were made mechanics by the Director-General of Railroads, and not by experience?

A.—Yes.

17. Is it true that when a freight crew finishes a run in four or five, or less than eight hours, that they cannot be used in any other service to fill out the day without receiving an additional eight hours' pay?

A.—Yes.

18. Is it true that trainmen are now receiving between $300 and $400 per month on local passenger and other runs that before the Adamson law, on exactly the same runs and same schedule as to departure and arrival, received from $135 to $150 per month?

A.—Yes.

SELL AUTO STOCK AT ONE OFFICE; LAND AT OTHER

Associates in London Motors and "Motor Park" Are Busy

SEEMS A GAMBLE

William R. Stansell, Who Formed $1,000,000 Motor Co., Has Been Connected With Other Similar Concerns

Editor FINANCIAL POST:

Would you kindly give me your opinion of the London Motors, Ltd., of London, Ont. Is it a safe investment with big prospects?

H. H. H., London.

London Motors, Ltd., is a gamble and one in which the odds appear to be very much against the speculator who puts his money into the stock. The company was organized by a man named William R. Stansell. Stansell was at one time a motor salesman in Detroit and after selling stock in a motor company around Chatham he went to Amherstburg to form a company that would put that town on the map and would manufacture the finest car in Canada. But the promoters fell out and Stansell got out. He went to London—at the invitation, it is said, of a clergyman who wanted an industry to locate near his church so that he could increase his congregation—and formed London Motors, Ltd. The company had an authorized capitalization of $1,000,000, consisting of $500,000 of preferred stock and $500,000 of common.

Stansell obtained an equity in a garage on King Street in London and also got hold of ten acres of land near the junction of Hale Street and the Grand Trunk tracks. This property is about two miles from the city, far removed from all local improvements, water, etc. It is part of 100 acres that ten years ago was subdivided but the owners have never been able to get the subdivision going. How much Stansell paid for the property is a mystery, but some light might be thrown on this phase of the question by the fact that the owners offered free factory sites not long ago in order to get industries to locate near the subdivision. In exchange for his equity in these properties and his plans and specifications, etc., Stansell retained 50 per cent. of the capital stock of the company.

An Assembling Proposition

He is now trying to sell the remainder of the stock to the citizens of London. He promises to build at London the finest motor car in Canada. He will not manufacture the parts but will assemble them according to a formula that reduces costs automatically and makes a car sell at $2,700 that is better in many respects, he claims, than the Packard, Cadillac, and other cars selling at several times the price. At present his visible stock of parts consists of four frames valued at $30 apiece and one headlight valued at $9.

While Stansell is trying to sell stock in the London Motors, Ltd., at one office, his associates, at another office, are busy selling lots at "Motor Park," which is the subdivision that came to life when Stansell obtained ten acres of it for his motor plant. Stansell claims that there is no connection between London Motors, Ltd., and the London Land and Development Company which is selling the lots. But at least one of the owners of the subdivision is on the board of directors of the motor company and the man who has charge of the stock division of the motor company is a brother of the sales manager of the real estate company.

Stansell's View of It

Moreover, Stansell himself, who owns half the stock of London Motors, Ltd., has a definite interest in the subdivision. He admits this but claims that as a business man he had a right to buy property around his factory, when he knew that the building of his factory would enhance the value of residential land in the area.

The whole thing has a rather unpleasant look. Stansell may be sincere in his desire to give Canada the best motor car in the world, but his past record, and the fact that he is the chief link between the stock selling campaign and the land peddling scheme should be the word to the wise that is sufficient.

We are told that where the Grand Trunk runs by his factory site is a warning post "Stop, Look and Listen." It applies to the railroad running by but it might be applied elsewhere.

W. C. Durant has purchased the Goodyear Tire and Rubber Co. plant, located at Jackson Avenue and Honeywell Street, Long Island City, for a consideration of $2,000,000.

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CAPITAL—
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Res. Fd., £2,570,000 Together [illegible]
Res. Liab. of Proprietors....[illegible]
Total Capital and Reserve [illegible]
Head Office 71 Cornhill, London, E.C. [illegible]
The Bank has 181 Branches, [illegible]
In Victoria 41
In New South Wales.... [illegible]
In Queensland .... [illegible]
In South Australia 14
In Western Australia .... [illegible]
In Tasmania .... [illegible]
And in NEW ZEALAND. 44
Drafts upon these Branches are [illegible] by the Head Office and may be obtained from the Bank's Agents throughout the world. Commercial and Circular Travelling Credits issued — available throughout the world. Cable transfers are also made. Bills on the Australian States and Dominion of New Zealand are purchased or sent for collection.

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Ontario's Burden

Public Debt - $1,153,000,000 (Federal, Provincial and Municipal.)
Annual Taxation, $186,000,000 (Federal, Provincial and Municipal.)
Ontario's Drink Bill—in year previous to Provincial Prohibition—was $36,000,000.

DON'T add another burden to the tax-payers' load.

The importation of "Booze" is adding dead weight to the heavy burden of taxation now borne by the people of Ontario.

Importation of "Booze" is adding to the cost of law enforcement.

Importation of "Booze" is adding to the cost of jail maintenance.

Importation of "Booze" is adding to the cost of hospitals and asylums.

Importation of "Booze" is adding to the cost of living.

Importation of "Booze" is bedevilling the administration of the Ontario Temperance Act, and defying the temperance sentiment of the province.

Vote—and Vote—"Yes"

This is no time to add another burden to the tax-payer's load.

Ontario Referendum Committee
27

GRAIN EXCHANGE AN EFFICIENT ORGANISATION

That is Conclusion of Expert Employed by U. S. Government

FARMER GETS SHARE

Analysis of Price Paid by Consumer and That Received by Producer—Speculator Performs Real Function

The announcement from Western Canada that application has been made for a charter looking to the organization of a wheat handling concern or "pool" attracts renewed attention to the whole question of the operation of the grain exchanges and the agriculturists' indictment of private enterprise in connection with the provision of facilities for the marketing of farm produce. In view of this fact the report of Professor Weld on behalf of the United States Department of Agriculture after investigating the organization of the Minneapolis Chamber of Commerce is of direct interest.

The agriculturists had objected to the regulations of the chamber relative to uniform commissions. In this connection, Professor Weld found that "the commission rule is both necessary and just and that it has had a beneficial effect on all who are engaged in the grain trade, including the farmers themselves." He reported that only a very small percentage of cars of grain went into the hands of "scalpers," and that "the profits taken by the scalpers are so small and they perform such a useful function in steadying and holding up the price, as well as by inciting the commission men to use their best salesmanship in selling their consignments, that on the whole they are a benefit rather than a detriment to the marketing system." The presence of "future scalpers," he said, "does much to make possible the continuous market offered by the grain and cotton exchanges, i.e., the opportunity to buy or sell at any moment during trading hours," so that these persons, too, perform a useful function.

Farmer Gets Full Share

Professor Weld found that in the case of grain Minnesota farmers received approximately 70 per cent. of the price finally paid for wheat products. He said:

"The farmer receives about 90 per cent. of the price paid for his bushel of wheat by the Minneapolis miller; the farmer receives about 83 per cent. of the price paid by the housewife for the flour made out of his bushel of wheat; but there are by-products, such as bran and middlings, which come out of the wheat and the farmer receives about 64 per cent. of the price finally paid for the flour and all other products into which his bushel of wheat is manufactured. In this last case, the wheat has gone through a country elevator, been transported from 100 to 200 miles, sold by a commission man (possibly stored by a terminal elevator), manufactured into flour in the flour mill, sold to a wholesale grocer, and then to a retail dealer, and yet the producer receives 64 per cent. of the final price."

Speculation is Necessary

Professor Weld pointed out that frequent fluctuation of prices is an indication of a high degree of competition rather than of a lack of competition. Under normal conditions the price of wheat at Chicago was approximately the Liverpool price, less the cost of transportation and handling; likewise, the Minneapolis price was also based on the Liverpool price; and the prices at a point a hundred miles west of Minneapolis would in turn be the Minneapolis price, minus freight to Minneapolis and incidental expenses of handling. In cases, as in 1910, the demand from Minneapolis millers was such as to absorb the available supply and this demand "raised the price to such an extent that it was much higher than the Liverpool price minus the cost of transportation to that point."

Investigations of the operations of the Minneapolis Chamber of Commerce led Professor Weld to the following conclusions:

"As a general rule, the more highly organized a trade the higher the plane of commercial morality on which business is conducted. . . . On the whole, they (the produce exchanges) represent the highest type of organization and the highest development of efficiency in marketing that can be found. . . . The feeling among some people that such organization means monopoly power is based on misconception of the functions and methods of exchanges. . . . On the whole, the concentration of trading in an organized place results in greater intensity of competition, a more adequate balancing of expert opinions, and consequently a market price that more accurately reflects the actual conditions of demand and supply.

"The professional speculator performs an important function, and to drive him out of business would be to destroy the continuous market for hedging operations, to derange the highly delicate machinery for recording opinions of traders, to lessen the pressure in prices from above and below, and to restrict the interplay and competition between the markets. These effects would throw greater risks on the actual merchandisers, and force them to take out larger margins to cover these risks. It is also probable that there would be a greater amount of speculation in the commodities themselves and a greater chance of manipulation on the part of the powerful financial interests."

INCREASED FARM PRODUCTION IN B.C.

Value of Products Larger By $68,000,000 in 1920 Than Previous Year

From Our Own Correspondent.

VICTORIA.—Although farm production is still obviously in its infancy in British Columbia, the fact that it was valued in 1920 at more than $68,000,000 will show that it is making rapid strides and that it is an important factor in the prosperity of the Pacific coast province. The increase in 1920 over the value of 1919 agricultural production amounts to exactly $2,620,397, according to figures just issued by Hon. E. D. Barrow, Minister of Agriculture.

Imports of agricultural produce into British Columbia increased $1,827,677 in the same period, however, and the total imports from other parts of Canada were $8,920,356. Imports of farm products from foreign countries were valued at $1,285,964. The United States got practically all this business, notably California and the state of Washington.

The fruit crop in British Columbia was disappointing last year and it was only 44 per cent. of the previous year's, due to an unfavorable season. Orchard production was valued at $4,951,750, of which apples represented $2,796,215. Small fruits were valued at $951,075. The vegetable crop, principally potatoes in point of value, was worth $8,898,819, or about $1,500,000 more than in 1919.

Grain crops decreased 487,324 bushels in quantity and more than $1,000,000 in value. Fodder crops showed a gain, being valued at more than $17,000,000. Production was 565,537 tons, 40,135 tons more than in 1919.

RUSSIA MUST COME BACK TO PRODUCTION

Hoover Sees No Hope for Renewed Trade Under the Bolshevik System

By HERBERT HOOVER,
Secretary U.S. Department of Commerce.

The question of trade with Russia is far more a political question than an economic one so long as Russia is in control of the bolshevik. Under their economic system no matter how much they moderate it in name, there can be no real return to production, and therefore Russia will have no considerable commodities to export, and consequently no great ability to obtain imports. "There are no export commodities in Russia to-day worth consideration except gold, platinum and jewelry in the hands of the bolshevik government. The people are starving, cold, underclad, if they had any consumable commodities they would have used them long since."

No better indication of the destruction of production under the bolshevik system exists than in the case of flax. Pre-war Russia produced 500,000 tons of flax per annum and herself consumed 120,000 tons. The production in 1920 was about 40,000 tons, with mills and lands at least capable of spinning 120,000 tons and the population underclad. In any event, no consequential export flax is available, nor ever will be available, under this economic system.

Nor can trade with Russia under a government that repudiates private property be based on credit. Thus the whole question from a trade point of view develops into furnishing commodities equal to the gold, platinum and jewelry, variously estimated from $60,000,000 to $200,000,000 in the hands of the bolshevik government and after that has been expended there can be little expectation of continued trade. There has been no prohibition on trade for a long time so far as exchange of commodities is concerned. Trade is open through the Baltic states and Italy has been trading in the south. The real blockade has been the failure of the Russians to produce anything except gold and platinum to trade with.

There has been but little trade for gold because its title has been called into question by the French government and by threats of private actions in the courts on the ground that it is stolen or subject to foreign liens. It is apparently the intention under the British trade agreement to allow this matter to be threshed out, so far as England is concerned, in the British courts.

GREAT PROGRESS IN DEVELOPING WATER POWERS

And This Despite the Unusually High Costs of Construction

NEW WORKS IN 1920

Principal Activities in Quebec, Ontario and Manitoba, But Also Big Schemes in Far East and Far West

From Our Own Correspondent.

OTTAWA.—Notwithstanding the advance of the cost of construction there has been marked progress made in hydro-electric development in Canada during the past year. All the principal water-power countries of the world have begun to realize the urgent necessity of developing their resources in this respect if they are to hold their own in the face of the strong competition now going on for the world's trade; and in some fifteen countries legislation has been passed by governments anxious either to develop power themselves or to assist in financing such undertakings. Information now available at the Water Powers branch of the Department of the Interior shows the great strides Canada is making.

It is interesting to review what has been done in the different provinces of the Dominion in 1920. Work was begun in Nova Scotia in 1914 when the Nova Scotia Water Power Commission was formed, which carried on investigations in co-operation with the Dominion Water Power branch. In 1919 the Nova Scotia Power Commission was formed, and in 1920 the St. Margarets Bay development was begun to supply the city of Halifax and the county of Lunenburg. The St. Margarets Bay development is designed to provide a present total capacity of 10,820 H.P., ultimately 15,000 H.P. The commission has plans for providing 25,000 H.P. in other parts of the Province. About 4,300 H.P. was installed by private concerns.

In New Brunswick

The New Brunswick Water Power Commission was formed in 1918, and arrangements made with the Federal authorities similar to those of Nova Scotia, and the policy pursued has been similar. The New Brunswick Electric Power Commission formed in 1920 has instituted much work. For the supply of St. John and district three projects, capable of producing 35,000 H.P., have been investigated, and construction work has been begun on one, the Musquash plant, where three units with a total of 11,000 H.P. will be installed.

In the Fredericton and Woodstock district investigations are being made with a view to developing 16,000 H.P. on the Shogomoc and Pokiok rivers. In the North Shore district the Tetagouche river is being developed. The Bathurst Lumber Company is well under way with a plant which will provide 9,000 H.P. and the Commission expects to develop 10,000 H.P. In addition 7,400 H.P. is being developed by three different industrial concerns. In all, New Brunswick has over 18,000 H.P. installed or under construction for 1920 and a still larger amount in immediate prospect.

In Prince Edward Island the water power resources are being examined, but no development has yet taken place.

Quebec's Wisdom

Among the principal undertakings either commenced or completed in Quebec during 1920 were the following: Cedar Rapids, 21,600 H.P.; Shawinigan, 42,000 H.P.; Laurentide, 42,000 H.P.; Lotbiniere, 1,680 H.P.; Montmagny, 3,600 H.P.; Chicoutimi (Price Bros.), 17,600 H.P.; City of Riviere du Loup, 525 H.P.; Drummondville (Southern Canada Power Co.), 7,000 H.P.; St. Jerome (Canadian Consolidated Rubber Co.) 450 H.P. The total new development was nearly 137,000 H.P., and a number of other large projects seem likely to be begun this season. The Government of Quebec has, for some years past through the Quebec Streams Commission, pursued the policy of constructing storage reservoirs in the principal watersheds, leaving the development of power to private enterprise—a policy which is described by the department as "enterprising and far-seeing." This policy was continued during 1920, and further studies were made of the storage possibilities of Lake St. John and Lake Kenogami, St. Anne de Beaupre, St. Maurice, St. Francois, Bell, Harricana, Manicouagan, Aux Outardes, and Nashquan rivers.

In pursuance of the co-operative agreement made in 1919 between the Department of the Interior and Hydro-Electric Power Commission of Ontario, the Dominion Water Power

Continued on page 11.

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THE STANDARD BANK OF CANADA

Quarterly Dividend Notice No. 122

A Dividend at the rate of Three and One-half Per Cent. (3½%) for the three months ending 30th April, 1921, has been declared payable on the 2nd of May, 1921, to Shareholders of record as at the 18th of April, 1921.

By Order of the Board.

C. H. EASSON,
General Manager.

Toronto, March 23rd, 1921.

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A down payment of a substantial sum will be required to bind the contract, to be an advance payment against part shipments.

Canadian company will not have to manufacture parts or do any experimental work, but will have Canadian rights to a widely known article, with a large distribution at present in the United States.

Address

American Manufacturer
Box 86, Financial Post

United States Smelting Co. directors voted to omit common dividend. In December 50 cents a share on common stock was declared, prior to which $1.50 a share quarterly had been paid since

AMES-HOLDEN HAD DEFICIT FOR 1920 AND SURPLUS GONE

Heavy Losses on Year's Operations; Big Cut in Inventory

PRAISE FOR CANDOR

Shareholders Glad to Know The Worst—Company Starts on the Long Road Upward

From Our Own Correspondent.

MONTREAL.—Probably no other industry in Canada received as hard a blow from the slump in commodity prices as that of leather footwear. An illustration of just how serious this blow was to many in the industry was furnished this week when the report of Ames-Holden-McCready Limited for the twelve months ending December 31, 1920, was submitted to the shareholders at the annual meeting. From the beginning of July until well on in February the factory was completely shut down and only now is beginning to get back to its former output. Not only did this cut down any chance of profits, but the company was forced to write down its inventory values to the extent of $822,768 in order to bring them on the level with replacement values. This changed a balance from previous years of $992,354 into a deficit in profit and loss account of $470,250, a change during the year of $1,462,614.

The net result of the year's operation was a deficit of $110,501, compared with a profit of $602,099 for the eight months ending December 31, 1919, the fiscal year being changed at that time from April 30 to conform with the calendar year. Deductions of interest, etc., left a net deficit for the year, without allowing for three preferred dividends, of $508,586, or with these a total deficit of $639,836 for 1920, which when the inventory was reduced, wiped out the credit balance of the previous year, leaving a loss instead of a surplus as at the end of 1920. The profit and loss acount for the past three years compares as follows:

	12 mos. 1920	8 mos. 1919	12 mos. 1918-19
Profits	*$110,501	$602,099	$632,764
Interest	$316,152	$ 93,043	$170,814
Bad debts	65,656	48,773	42,957
Depreciation	....	127,921	95,669
Contengent	....	25,000	....
Loss sale of fixed assets	18,386	....	....
Bond discount	1,943	....	....
Total ded.	$402,139	$294,699	$309,442
Balance	*512,641	307,400	323,322
Misc. income	4,054	....	....
Net profit	z$508,586	$307,400	$323,322
Pfd. divs.	131,250	131,250	....
Surplus	*$639,836	$176,150	$323,322
Prev. bal.	992,354	816,203	492,981
Balance	$352,518	$992,354	$816,203
Shrink. in invt.	822,768	....	....
P. and L. bal.	x$470,250	$992,354	$816,203

*Loss; zNet loss; xDebit balance.

The balance sheet shows inventories down by about $600,000, while on the other hand bank loans and bills payable have increased nearly $1,200,000. The working capital has been depreciated to an extent of nearly $2,000,000. The items for the two years compare as follows:

Current assets.	1920	1919
Cash	$ 25,566	$ 62,409
Accounts receivable	399,888	754,417
Sale of prop.	190,828	....
Bills receivable	....	41,788
Inventories	3,396,824	4,004,408
	$4,013,106	$4,863,222
Current liabilities.		
Bank loans and bills payable	$2,791,185	$1,604,761
Accounts payable	609,853	681,862
Employees' plan	33,619	....
Accrued charges	70,466	80,266
Due assoc. cos.	....	108,595
Pfd. divid. due	....	43,750
	$3,505,123	$2,519,234
Bal. work cap.	$ 507,983	$2,343,988

The real consolation to the shareholders rests in the fact that full provision has been made for all losses or possible losses in so far as the future can be read, so that the present operations being on a normal basis are starting again the upward movement. Speaking of the operations of the year the president, T. H. Rieder, declared that about the end of April last they commenced the most difficult and trying period in the whole history of the company. "Never was there a sharper or more sudden fluctuation in prices; never a quicker drawing up of demand for its product. Cancellation of orders with cessation of retail buying all worked to produce by early summer a condition of almost complete stagnation in our industry, beyond that in any other." He added that: "All leather footwear manufacturers, great and small, both in Canada and the United States, suffered tremendously."

Referring to the present time, he

states that "there is a pronounced call for strictly seasonable leather goods, and our shoe factories are operating almost to capacity. The normal demand for regular lines of shoes is slowly coming back, and we will increase the output of our leather footwear factories only as conditions warrant."

At the annual meeting of the company the resignations of Shirley Ogilvie and William Mulock, jr., as directors were received. M. S. Wheelwright, of the investment house of M. S. Wheelwright & Co., was elected to the board. Several shareholders expressed their gratification at the courage displayed by the board in giving a truthful account of an unfortunate condition and cutting all inflations to rock bottom.

DEFICITS FOR FELT AND TIRE PLANTS

Ames-Holden Subsidiaries, However, Are Now in an Improved Position

From Our Own Correspondent.

MONTREAL.—Coincident with the report of Ames-Holden-McCready there was issued those of two of its subsidiaries, Ames-Holden Tire Co. and Ames-Holden Felt Co. As was inevitable under the circumstances, both showed a deficit on the year's operations, as neither started in to manufacture until well on in 1920.

In the case of the Felt Company sales amounted to $151,194, with a deficit of $7,227. The president, T. H. Rieder, reported that this company did not begin production until August, although large orders were on hand. By that time the wool market had collapsed and profits were small. The present demand is showing up well.

The tire company had small losses with the decline in prices, as it was doing little in manufacturing, but overhead costs were heavy, more than wiping out the small profits on a small output. The sales of this company were $224,313 and the deficit $46,542.

The plant is now producing daily 400 tires, 400 pairs of rubber boots and 600 lumbermen's and farmers' boots to meet the demand. Plans are even under way for the enlargement of this plant.

LONDON STREET RAILWAY WANTS MORE REVENUE

Company Would Reduce Wages or Increase the Fares

DEMANDS BY MEN

From Our Own Correspondent.

LONDON.—Decidedly interesting developments in connection with the London Street Railway system are pending in the immediate future. The railway at the present time is being operated under the direction of the Ontario Railway Board. Under an existing agreement both the men and the company have to give one month's notice in case any change is contemplated in the scale of wages.

This week the men decided to give notice on April 1 that they will demand 52 cents an hour. This is four cents an hour more than they are allowed under the present scale put into effect by the Railway Board and eight cents an hour more than they were getting before the strike occurred which resulted in the board being called in.

Want a Reduction

The London Street Railway Company, it was stated to FINANCIAL POST, will on the same date give a month's notice asking for a reduction in wages. The two demands are expected to cause complications. Officials state that in view of conditions it is an impossibility to pay higher wages.

"We have no money even now," said one official, "to carry out improvements that are most urgently required. Last year we carried 13,000,000 passengers with the same rolling stock that we had five years previous when only 10,000,000 passengers were handled. The cars have to some extent deteriorated in that time and yet we are handling increased business with them. We realize thoroughly the steady growth of London and the imperative need for more cars and extensions to the existing lines but unless we are allowed to increase our fares and raise our revenue no improvements can be made. We need from ten to fifteen new cars immediately to take care of the business and give even reasonable service. In addition there is a large amount of other work required for which no funds are available."

An Unfair Policy

It is not only a shortsighted but an absolutely unfair policy in the opinion of this official to prohibit the company from making increases in its rates which are necessary for the carrying on of its business efficiently and for providing for the future needs of the city's traffic. The London Street Railway cannot, he points out, do as Sir Adam Beck's London and Port Stanley railway has done, come back repeatedly and ask for more money from the public funds. It has to sink or swim on its own funds and at the present time is up against one of the toughest propositions any street railway in the Dominion has had to face.

It is understood that the company has definitely refused to grant the increase requested, or to renew the present contract. This action on the part of the railway officials is regarded by the men as the first move toward an attempt at a reduction in wages, and according to President Colbert, of the Employees' Union, the men will again go on strike on May 1 if the company officials persist in their present attitude.

STOCK MOVEMENTS OF THE WEEK

Week ending March 29.

	Close Ask	Close Bid	High	Low	Close	Sales
Banks—						
Commerce	188	186	189	187	187	64
Dominion	199	196	196	196	196	6
Hochelaga	...	...	152	152	152	25
Merchants	...	179	180	179	179	67
Molsons	...	177	179	179	179	37
Montreal	209	204	205	204	204	71
Nova Scotia	...	257	257	256	256	28
Royal	202¼	201½	202¼	201	202	102
Toronto	188	...	185	185	185	2
Union	155	154	156	155	155	36
Industrials, Utilities, etc.—						
Abitibi Power & Paper, com.	39⅜	39	44¼	39	39¼	8427
Ames Holden, pref.	28	26¾	27	27	27	10
Amer. Salesbook, com.	7	6⅞	7	7	7	25
Asbestos Corp., com.	...	75	77	75	77	115
Do., pref.	90	89½	90	90	90	14
Atlantic Sugar, com.	33	32	33	32	33	540
Bell Telephone	...	106	107	106½	107	43
B.C. Fish	42	41	41½	40¾	41½	65
Brazilian Traction, com.	32	31¾	33½	31¾	32	1733
F. N. Burt, com.	105½	104½	105	105	105	28
Do., pref.	105½	104½	105	105	105	7
Brompton Paper	34⅞	34½	35	34	34¼	2548
Can. Car & Fdy., com.	35	33	32¾	32½	32½	170
Do., pref.	70	...	69	67	67	50
Canada Cement, com.	60	59¼	59½	58¾	59½	408
Do., pref.	...	91	92	90	92	54
Can. Converters	...	58	60	58	60	11
Can. Gen. Electric, com.	113	112	114	112	113	549
Do., pref.	...	98	98	97⅞	98	30
Can. Pacific Rly.	130½	130¼	131⅛	129⅛	129⅞	366
Can Steamships, com.	29¾	29¼	30½	29	29¼	270
Do., pref.	66	65	66½	65	65	115
Carriage Fact., com.	...	10	15	15	15	10
City Dairy, com.	74	66	66	66	66	2
Do., pref.	...	81	81¼	81¼	81¼	5
Consumers' Gas	138	136	136½	136	136½	243
Detroit United Rly.	82	...	84	82	82	216
Dominion Bridge	80	...	80	80	80	7
Dom. Canners, com.	30	29	29	29	29	15
Do., pref.	78½	...	78½	78½	78½	20
Dom. Coal, pref.	...	78	78	78	78	10
Dom. Glass, com.	...	56¼	57	57	57	50
Do., pref.	82½	81	82	82	82	13
Dom. Iron, pref.	...	71	71	70	70½	22
Dom. Steel Corp.	45¾	45¼	46¼	42½	45	2285
Dom. Telegraph	82	78	80	80	80	3
Dom. Textile, com.	...	112	114	112	114	545
Do., pref.	98	95	98	98	98	25
Goodwins, com.	...	...	25	25	25	25
Do., pref.	78	...	70	70	70	50
Howard Smith Paper, com.	...	...	87	87	87	15
Do., pref.	87½	...	88	87	87	25
Illinois Traction, pref.	...	69	70	70	70	16
Lake of Woods, com.	148	146	148	148	148	25
Laurentide Paper	86¼	86	86	85	86	965
Lyall Construction	...	69	69⅛	68⅛	68⅛	170
Mackay, com.	74	73½	73½	72	73½	64
Do., pref.	...	63	64½	64½	64½	10
Maple Leaf Mill., com.	...	135	132½	132	132	15
Do., pref.	100	98	100	100	100	20
Mont. L., H. & P., Con.	82	81¾	82¼	81¾	82	656
Montreal Telegraph	...	112½	113	113	113	40
National Breweries, com.	39	38¾	38¾	37¾	38	1200
N.S. Steel & Coal Com.	44	42	42	42	42	5
Ogilvie Milling, com.	...	200	199	199	199	25
Do., pref.	...	99¾	101	101	101	201
Penmans Ltd., pref.	...	79	79	79	79	5
Porto Rico Rlys., com.	46	44	45	45	45	75
Do., pref.	...	80	76	76	76	10
Price Bros.	...	200	210	210	210	5
Provincial Paper, pref.	87½	...	88½	87	87¾	170
Que. Rly., L. H.	26¾	26¼	27	26½	26½	340
Riordon Paper, com.	112	109	112	109⅞	109⅞	370
Sawyer-Massey, pref.	50	49	50	50	50	20
Shawinigan W. & P.	103¾	103	104	103½	104	99
Spanish River Pulp, com.	76	75	77¼	75½	75½	790
Do., pref.	...	82	84½	83¾	84	523
Steel of Canada, com.	60	59¼	61	59½	60	445
Do., pref.	...	91	92	92	92	15
St. Maurice Paper	...	100	100	100	100	20
Toronto Rly.	69	68	68½	68¼	68½	120
Wayagamack	70	69	70	67	67	71
Winnipeg Rly.	42	40	41	41	41	100

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WINNIPEG ELECTRIC RAILWAY COMPANY has carried 59,000,000 passengers for the first 11 months of 1920.

Their net earnings have increased 50.60% over the same period of 1919.

We believe the securities of Winnipeg Electric Railway Company offer great investment possibilities.

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$350,000.00

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Twenty-year 6% Gold Bonds

Dates March 1st, 1921 Due March 1st, 1941

Interest Payable 1st March and September

Denomination $1,000

Principal and Interest Payable at the Home Bank of Canada, Toronto

Legal Opinion of E. G. Long, Esq.

FINANCIAL STATEMENT

Assessed Value for Taxation for Separate Schools .$39,971,630.00
Total Debenture Debt, including this issue $1,140,000.00
Less: Sinking Fund 149,031.50
Net Debenture Debt 990,968.50
Value of Assets, $1,531,541.00. Population, 56,491.

The taxes for Separate School purposes are collected by the City of Toronto at the same time and in the same manner as for all other purposes, and are handed to the Separate School Board without deductions.

PRICE: 98.29 and Interest, Yielding 6.15%.

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THC

We Own and Offer

	To Yield
£1400 Duluth, Winnipeg & Pacific 4% Bonds, due 1939 at 65	7.50%
£1700 †G.T.P. 4% Bonds, due 1955 (Dom. Gov. Obl.), at 65	6.60%
$5000 Spanish River 8% Bonds, due 1941, at 99	8.10%
£800 †Calgary Power 5% Bonds, due 1940, at 73	7.70%
£1100 Dom. Iron 5% Bonds, due 1939, at 72½	7.85%
£2800 City Edmonton 4½% Bonds, due 1932, at 81	7.00%
$10000 Quebec Harbor 4% Bonds, due 1928, at 88	6.00%
£1060 Prov. Manitoba 4% Reg. Stock, due 1950, at 72½	6.00%
£500 City Calgary 5% Bonds, due 1943, at 80	6.75%
£2600 †Algoma Steel 5% Bonds, due 1962, at 55	9.25%

†Payable in New York.

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A First Mortgage Public Utility Bond to Yield 8¼%

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DEFER PAYMENT OF DIVIDENDS ON GOODYEAR PREF.

Directors Decide to Pass Dividends For Current Quarter

BUSINESS DEPRESSED

Action Not Wholly Unexpected in Financial Circles—Plan to Undertake Larger Production in Near Future

The decision of the directors of the Goodyear Tire & Rubber Co. of Canada, Ltd., to pass dividends on the preferred stock for the current quarter was not wholly unexpected in investment and financial circles, although the news was heard with widespread regret by the shareholders of the company. It had been generally known that this company in common with other firms engaged in the manufacture of automobile rubber accessories had been hard hit by the depression that has prevailed in trade for many months and rumors of the possibility of such action have been in circulation for some little time.

The present outstanding preferred, amounting to $4,500,000, was created when the company was reorganized more than a year ago. At the time the prospects for the tire industry were exceedingly bright and the securities of the company found a ready market. Some $3,000,000 of the issue was handled by local underwriters and offered for public subscription, while the balance of $1,500,000 is held mainly by the old stockholders. The dividends on the preferred are cumulative and at the rate of 7 per cent. per annum.

G. J. Lane, assistant treasurer of the company, points out that this action had been deemed necessary in order to conserve for the company's use all available capital during the present period of depression. Reviewing conditions which prevailed during the past year, he pointed out that the company developed its output on a large scale during the earlier months in the hope that the unusual demand for the company's products which then prevailed would be sustained. About the middle of the year, however, a slump developed in the motor industry and this was rapidly extended to the tire industry, with the result that the demand fell off and the company found its stocks rapidly accumulating. At the same time foreign trade fell away, and for the past six or seven months has not been more than 10 or 20 per cent. of what was normal earlier in the year. The company under the circumstances found it necessary to curtail output, and efforts have now for some little time been concentrated on the task of reducing stocks.

It was impossible to tell, Mr. Lane added, how long it would be necessary to defer dividends, as all depended upon the course business would pursue in the near future. There was evidence, he pointed out, that a period of better times for the tire industry was opening up. Many automobile firms were undertaking higher production, and the Goodyear Company, he added, was contemplating adding to its force of workmen in about a week's time. In the meantime the process of liquidating present stocks is still proceeding, daily sales being about four times the amount of the present daily production of the company's plant.

This was the first time in ten years, he added, that the directors of the company had been compelled to resort to this drastic action, but they felt that it was in the best interests of the firm to defer payment and retain the money for the company's purposes until more prosperous times materialize.

RAILROAD EARNINGS

Earnings for the third week of March of the Canadian Pacific Railway amounting to $3,211,000 showed a decrease of $72,000 or 2.1 per cent. as compared with the figures for the corresponding period in 1920.

For the week ending March 21, the Canadian National reports earnings at $2,130,892, an increase of $553,830 or 35.2 per cent., while from January 1 to March 21 the earnings amounted to $23,341,923, an increase of $4,665,656.

The Grand Trunk reports earnings for the third week at $1,750,890, a decrease of $103,877 or 5.5 per cent.

TWIN CITY

The February earnings statement of the Twin City Rapid Transit Company shows gross amounting to $1,124,369 as compared with $984,765 for the same month in 1920, an increase of $139,604. Operating expenses amounting to $922,831 left net at $201,538, which compares with $210,684 in the previous year, a decrease of $9,146 or 4.4 per cent. For the two months ending with February the gross at $2,350,480 showed a gain of $308,631, while net at $418,086 was lower by $6,165.

THE COST OF LIVING

The British Ministry of Labor has published its index figures of the cost of living at the end of January, placing the average level of retail prices of all commodities on February 1, 1921, at 151 per cent. above July, 1914, as compared with 165 per cent. above on January 1, 1921. The decrease during January was mainly due to reductions in the prices of several of the principal articles of food and in prices of clothing.

HIGHER EARNINGS FOR GOULD MFG. CO.

Largest Volume of Sales in Company's History — Orders Fall Off

With the volume of sales for 1920 the highest on record, the annual statement of the Gould Manufacturing Co., of Seneca Falls, N.Y., shows an improvement in the company's financial position, notwithstanding the unfavorable conditions affecting business generally during the later months of the year. The statement shows net profits for the year amounting to $300,024, compared with $214,224 for the year 1919 and $216,204 for 1918. Including the surplus brought forward there was available for distribution the sum of $1,677,440. The usual allotments on behalf of common and preferred dividends were made and the surplus, after meeting all payments, amounted to $1,580,265, compared with $1,377,416.

Profit and loss accounts for the past three years compare as follows:

	1920	1919	1918
Net income	$ 300,024	$ 214,224	$ 216,204
Prev. surplus	1,377,416	1,260,366	1,141,337
	$1,677,440	$1,474,590	$1,357,541
Pref. div.	52,325	52,325	52,325
Com. div.	44,850	44,850	44,850
Surplus	$1,580,265	$1,377,416	$1,260,366

Outlining conditions affecting the company's operations President N. J. Gould points out that during the latter part of the year there was a very noticeable decrease in the volume of new business, but this did not materially affect the gross income or net profits, because of the large volume of unfilled orders accumulated during the first eight or nine months of the year. The officers and working organization of the company, he adds, are making strenuous efforts to maintain as nearly as possible the normal volume of business and profit.

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Builders and Construction Supplies Exporters
ROY BUILDING - HALIFAX, N.S.
A Neighborly Service for a Moderate Charge

P. Lyall & Sons Construction Company, Limited
Toronto · Montreal · Ottawa

Government of the Province of Manitoba

COMBINED BALANCE SHEET

As at November 30th, 1920

ASSETS

Cash on Hand		$ 2,645,429.03
Available for—		
Public Works and Undertakings	$ 2,017,249.56	
Drainage Districts Capital Outlay	101,644.25	
Current Expenditure	57,416.06	
Extinguishment of Bonded Indebtedness and held in Trust	433,593.75*	
Patriotic Purposes—Unexpended portion of Treasury Bill	35,525.41	
	$2,645,429.03	
Investments:		7,810,428.61
Capital Moneys	$ 3,319,045.00	
Sinking, Replacement and Trust Funds	4,491,383.61*	
	$7,810,428.61	
Secured and Other Accounts:		13,079,584.58
Secured Accounts—Capital Moneys	$ 4,259,511.33	
Other Accounts—Revenue Moneys	2,204,263.08	
Outstanding Revenue	1,752,634.82	
	$8,216,409.23	
Add:		
Land Agreements, Judgment and Succession Duties (see Deferred Balance Sheet)	4,863,175.35	
	$13,079,584.58	
Dominion of Canada:		13,046,973.93
Public Works and Undertakings (Book Values)		37,821,154.19
Drainage and Judicial Districts: Capital Expenditure (Net)		6,275,318.07
Unsold Lands—See Deferred Balance Sheet		13,429,181.31
		$94,108,069.72

LIABILITIES.

Treasury Bills and Accounts Payable:		$ 6.516,389.81
Payable out of Capital—Treasury Bills	$ 1,479,000.00	
Payable out of Revenue—Treasury Bills	3,290,000.00	
Provincial Savings Office	900,000.00	
Accounts Payable	50,563.70	
Interest and School Grants Accrued	796,826.11	
	$ 6,516,389.81	
Stocks and Bonds		49,700,870.34
Revenue Bearing	$31,227,510.52	
Non-Revenue Bearing	18,473,359.82	
	$49,700,870.34	
Sinking Funds, Replacement Reserves and Trust Funds:		4,924,977.36
Acquired by Levy	$ 1,238,750.96	
Appropriated from Revenue	3,109,722.91	
Obtained from Trust Deposits	576,503.49	
	$ 4,924,977.36*	
		33,693,329.48
Being excess of Assets over Liabilities.		
Capital Surplus	$15,661,025.99	
Revenue Surplus	35,566.28	
Deferred Surplus	17,996,737.21	
	$33,693,329.48	
		$94,835,566.99
Deduct		
Appropriation of Revenue for Extinguishment of Bonded Debt—Telephone Stock Sinking Fund held in London		727,497.27
		$94,108,069.72

Note:—

A. In addition to the above Liabilities the Province has guaranteed the Principal and Interest on Securities, as follows:

Canadian Northern Railway Securities		$25,663,553.33
Municipal Debentures, etc.		3,261,358.84
Manitoba Farm Loans Association	$3,958,847.38	
Less: $2,400,000.00 Bonds held as a Capital Investment, with Interest accrued to date	2,417,397.39	1,541,449.99
		$30,466,362.16

B. The Province has also guaranteed the Interest only on Municipal Debentures of a total par value of $99,500.00, and has guaranteed the rentals payable to the Northern Pacific Company in respect to certain Railways in Manitoba leased.

Correct

ROBERT DRUMMOND,
Acting Comptroller General.

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ANILINE DYES AND COAL TAR PRODUCTS

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Telegrams: "DYEWARES MONTREAL"

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Western Canada Flour Mills Company Limited

A. KELLY, President — J. E. MACFARLANE, Gen. Mgr.

Head Office: Toronto

Mills at
Goderich, Brandon, Winnipeg, Edmonton, Calgary, Victoria

Daily Capacity—Flour, 10,000 barrels Rolled Oats, 1,000 barrels

MANUFACTURERS OF

PURITY FLOUR PURITY OATS

THE FOUNDATION COMPANY LIMITED

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INDUSTRIAL BUILDINGS AND HEAVY FOUNDATIONS
STEAM AND HYDRO-ELECTRIC POWER DEVELOPMENT
DAMS AND BRIDGE PIERS
UNDERWATER CONSTRUCTION

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MONTREAL, QUE.

COAL

TELEPHONE MAIN 7300

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THREE RIVERS, P.Q.

Manufacturers of Fine White Cotton, also Spinners' Fine Counts of Yarns.

BUSINESS FOUNDED 1795

AMERICAN BANK NOTE COMPANY

Incorporated A.D. 1897 by Act of the Parliament of Canada

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MACDONALD'S CUT BRIER

1/12 lb. Package 15c
1/2 lb. Tin . 85c

More Tobacco for the Money

WHY ABITIBI CO. DECIDED IT BEST TO CUT DIVIDEND

Heavy Funded Charges, Construction Debt, Uncertain Market

HEAVY GOVT. TAX

To Be Deducted From Present Surplus—New Financing Calls For $620,000 Yearly —Ticker Scores

From Our Own Correspondent.

MONTREAL.—It has been a long time since a dividend declaration was awaited with such keen interest as was that of the Abitibi Power & Paper Company this week, and when this was cut from a 6 per cent. to a 4 per cent. basis there was a feeling of surprise in most quarters, but a swinging around to the position that "The ticker told the truth." As it did —for those whose hopes did not blind them to its warning. If the cut is maintained for a year the company will save the sum of $500,000—$125,000 for the single quarter.

The whole problem of a dividend payment at the present time is a complicated one. There are two points of main importance that come up; one of these is the uncertainty of the earnings for the present year. The president has estimated them at $6,000,000, but they may be much less. No one knows; conditions are too abnormal for estimates to be made with any degree of assurance. Then a new factor has been introduced in an item contained in the annual report, which reads as follows:

Must Pay $2,500,000 to Contractors.

The amount necessary to complete the extensions to the Company's plants, water powers, etc., as of March 31st, is, as near as can be estimated, $2,500,000, which will only be required in moderate monthly amounts over the whole year and can be supplied from surplus current earnings without reducing the Company's working capital.

A Year's Liability

So far as can be learned this will be a direct liability for the next twelve months, calling for a payment each month out of earnings of about $225,000, or a little lesss than $2,000,000 during the rest of the year. With fixed charges and sinking fund calling for about $1,700,000, and a government tax for the year 1920 of somewhere near $1,000,000, even with allowances for further depreciation, earnings the same as in 1920 would be practically eaten up for 1921 without providing for any common dividend. It is little wonder then that the directors in cutting down the dividend rate coupled it with the following explanation:

To Conserve Liquid Position

"In making this declaration the directors consider that while the earnings for the current quarter would in ordinary circumstances warrant the payment of a larger dividend, it was advisable, in view of general financial conditions at present prevailing to conserve the liquid position of the company."

The liabilities for 1921 will show a large increase in interest and sinking fund charges due to the new issue of $4,000,000 of general mortgage bonds. The interest for the year would be $320,000, or for the nine months of the year, $240,000. Then there is a minimum amount of $300,000 to be provided for sinking fund on this issue according to the stipulation of the underwriters, or $225,000 for the nine months. This makes a total of $465,000 as an additional charge for the remaining months of 1921, owing to the new $4,000,000 issue of bonds.

The Government Tax

The government tax is a heavy liability for the year 1921 as well. In the statement for 1920 as just issued the tax payment referred to is one of $64,576 for the year 1918, while the surplus is declared "subject to government taxes for the years 1919 and 1920." The tax for 1919 will probably be covered by about $200,000, but the tax for 1920 can hardly run less than $1,000,000 and some estimates make it over $1,500,000. This will be figured on a capitalization of $6,000,000—the amount before the split of five for one —and in addition the surplus at the end of 1919 amounting to $1,547,000, less the tax for that year, say $1,300,000 or $1,350,000 in all, or a total allowed for capital of $7,350,000. One more point must be taken into consideration here: the government may allow the company to write down its inventories as of December 31, 1920, shown at $3,273,000, owing to the decline in the price of pulpwood since the beginning of the present year. This would lessen the taxable profits shown but at the same time would lessen the amount available for dividends by that amount, so the two would balance fairly evenly. Hence the estimate of liabilities for 1921 might work out as follows:

Liabilities for 1921

Int. on 1st and 2nd Mort.	$ 468,930
Int. on new gen. mort. (9 mos.)	240,000
Sink. fund, 1st and 2nd mort.	420,700
Do, gen. mort. (9 mos.)	225,000
Total	$1,354,630
Add U.S. Exch. at 14% on int.	188,000
Total	$1,542,630
Add Deprec. as in 1920	793,018
Total Deductions	$2,335,648
Bus. Profits Tax (2 yrs.)*, say	1,500,000
Total	$3,835,648
Constr. debt.	†2,500,000
Total required	$6,335,648

*Estimate covering 1919 and 1920. There may be no tax for 1921.

†If whole amount mentioned in annual report is paid during 1921 out of earnings.

With the first of May the company will have available three new newsprint machines and a large quantity of surplus pulp. If business improves during the year so as to warrant capacity output there could be a daily output of 500 tons of newsprint and over 200 tons of pulp, or 700 in all. Whether the actual output and sale will reach this figure, or average one-half this for the year, is a matter of guesswork at the present time. In Abitibi's favor must always be set down an unusually low cost of production,—in this no mill in Canada exceeds it. On the whole, the prospects for earnings for 1922 would appear to be rather better than those of 1921.

Hence the cut in dividend must be considered as a very necessary precaution.

An interesting set of figures in the annual report deals with the increased value of properties during the year. The total at the end of 1919 was $13,820,544; the total at the end of 1920 was $19,870,405, showing an increase of $6,049,861. It was this that made a bond issue necessary, and compels the company to meet the balance in monthly instalments during the present year.

Below are the comparative figures of profit and loss accounts, and working capital of the company as disclosed by the annual report:

Profit and Loss Account

	1920	1919	1918
Receipts	$10,580,142	$6,029,353	$5,650,264
Expenses	5,537,009	3,903,635	4,006,610
Net earn.	$5,043,133	$2,125,717	$1,643,653
Interest	505,946	454,319	469,031
Deprec., etc.	793,018	527,704	663,419
Taxes	* 64,576	79,463	......
Balance	$3,683,592	$1,064,230	$ 511,202
Pref. divid.	70,000	262,500	70,000
Balance	$3,613,592	$ 801,730	$ 441,202
Com. divid.	1,500,000	300,000	......
Balance	$2,113,592	$ 501,730	$ 441,202
Prev. bal.	1,574,979	1,073,249	632,047
P. & L. bal.	†$3,688,571	$1,574,979	$1,073,249

*Taxes for 1918.
†Subject to Govt. taxes for 1919 and 1920.

Working Capital

Current assets	1920	1919
Inventories	$3,273,869	$1,944,769
Acc. rec.	629,498	573,589
War bonds	125,750	67,700
Cash	431,758	349,405
Prep. ch.	104,894	78,096
	$4,565,769	$3,013,559
Current Liabilities—		
Construction	$1,272,906	$ 147,451
Bank loans	850,000	250,000
Acc. pay.	2,071,900	1,168,574
Divid. due	392,500	......
	$4,587,306	$1,566,025

C.P.R. NET EARNINGS HIGHER FOR FEBRUARY

Slight Increase in Spite of Decline in Gross Total—Operating Expenses

From Our Own Correspondent.

MONTREAL.—Two distinct features are indicated in the statement of traffic earnings of the Canadian Pacific Railway Company for the month of February. One is a considerable decline in gross earnings compared with that of one year ago, indicating, owing to the increased rate put into effect since last year, a much larger decline in the volume of traffic. This latter condition was also evident in the January report and may be counted on for some time to come owing to the slowing up of business throughout the country which is at once reflected in railway earnings. The amount of gross earnings one year ago was $13,557,103, which was reduced to $12,768,986, a decline of $788,000. On the other hand expenses also showed a considerable decrease. This is the first real indication of the long-looked-for decline in operating expenses of the road. On a percentage basis the operating costs amounted to 95.1 per cent. one year ago, and were down to 94.1 per cent. in February of the present year.

Earnings and Expenses.

	1921	1920	Inc.
Gross	$12,768,986	$13,557,103	$*788,116
Exp.	11,955,594	12,843,230	*887,635
Net	$813,391	$713,873	$99,518

The comparison for the two months follows:

Gross	$27,234,417	$27,471,858	$*237,256
Exp.	25,779,600	26,171,858	*392,258
Net	$1,454,816	$1,299,814	$155,002

*Decrease.

REDUCED SALMON PACK FOR 1921

Early estimates of the salmon pack of British Columbia for 1921 indicate that the output will be of comparatively small proportions, the ratio running from 40 down to 20 per cent. of normal. Consul General F. M. Ryder, of Vancouver, intimates that some canneries are prepared to put up about 25 per cent. of their normal pack, while others are figuring only on 15 per cent. No "chums" will be canned in British Columbia during 1921, as there are said to be three-quarters of a million cases still in stock without a market. According to Mr. Ryder, canners contend that with Japan putting 500,000 cases of redfish on the British market, Alaska canneries carrying over about 400,000 cases over the end of the year, for the first time in four or five years, and with the pack from the Columbia River and Puget Sound, there would be a gigantic total pack all rushing to the British market. Of the 615,288 hundredweight of canned salmon exported from Canada during 1920, the United Kingdom took 310,451 hundredweight.

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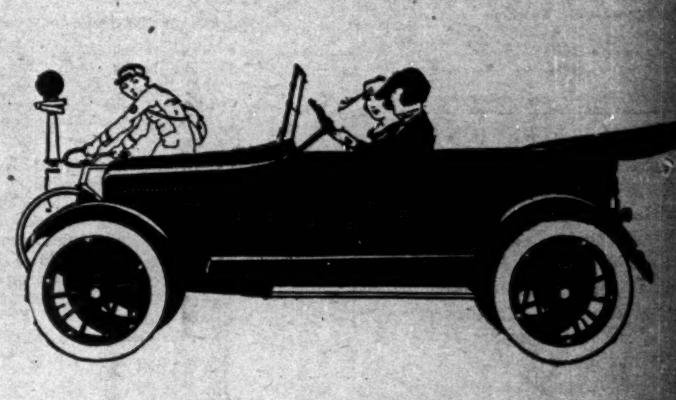

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REORGANIZATION OF GOLD FIELDS AT LARDER LAKE

Claims Now Consolidated Under One Big Corporation

LABOR AT COBALT

Report of Conciliation Board Gives Some Interesting Sidelights on Situation in Silver Field

From Our Own Correspondent.

Cobalt.—For a long time it has been contended that the Associated Gold Fields at Larder Lake has been retarded in its development due to the fact that the total holdings were split among several companies. For a long time an effort to merge into one big corporation has been put forth, and has at last been crowned with success. Canadian Associated Gold Fields Mining Co., a $30,000,000 company, will control the property. Outside the Sudbury Nickel-Copper Mines, it is the highest capitalized mining company in the province.

It has been a long fight with frequent reference to the courts. The contention was set up that a small company could not succeed in Larder Lake and that only a large corporation could successfully operate. Now they have the larger company and lots of mining land, the total acreage being 2,000. The company also has two waterpowers, one already producing. Money has been spent with what many mining men claim to be a lavish hand, and so now with all its troubles over, lots of cash in the treasury, a capable mining man in charge, G. A. Gray, late of the Dome, with the property well opened up, and lots of high grade ore blocked out or proven (these are claims made for the property) it should not be long before an avalanche of gold bricks descend on the mint at Ottawa, and of course on production of real yellow gold bricks will the property be sized up in the final analysis.

Stock Distribution

Of the $30,000,000 stock, the various companies account for $21,000,000, leaving $9,000,000 still in the treasury or an amount equal to the capitalization of the Dome and McIntyre mines together.

The Big Dyke Gold Mines, Porcupine, which owns the McRae-Porcupine, has also secured an option on the adjoining Williamson-Fornari claims and will develop the two properties together.

The Argonaut Gold Mine at Beaverhouse Lake, one of the bright little mines of the north that is coming along wonderfully well, is to resume sinking operations at once. The shaft will be carried from 380 to 500 feet. From a station at the 350 level a crosscut will be run to the known veins. Production is maintained at a moderate rate mostly by development ore. Former Speaker Landry, of the Commons, and relatives, control the property.

The Dome Movement

The Dome Lake and West Dome movement is still far from being an accomplished fact. As to the former the heads of the company are looking to the care of its liabilities. A report on the company may be expected by the shareholders shortly. Work on this property has developed values that warrant further development. Values run over $9. As to West Dome it may be re-opened in the spring.

During 1920 the La Rose mine made a profit of $13,279.73. Production was greater than in 1919 though the value was greater, the 1920 figures being 410,455 ounces, exclusive of the University property, value $313,995.74 and 1919, 289,317 ounces, value $356,124.21. Costs in 1920 were 73.27 cents an ounce, 1919, $1.05. The manager, in his report, pointed out that there were several sections of the company's parent property that will warrant further investigation but this is not justified at present on account of the low price of silver.

The Labor Situation

The conciliation board inquiring into the Cobalt miners wage dispute has just concluded its labors. Some interesting sidelights on silver mining came out in the evidence. Manager Babeman, of the La Rose, was an interesting witness. His figures on the cost of producing silver were an eye-opener. They were:

Year	Demand	Cost per oz.
1914	1,368,000	37c.
1915	1,135,000	31.6c
1916	740,000	46c
1917	437,000	87c
1919	189,000	1.05

He said that 60 per cent. of the mining costs were formed by wages. It was also brought out that it takes 19 ounce ore at present to pay expenses, and that to treat old sands with a two-ounce recovery at the present price of silver would have a loss of 20 cents a ton to the operating company.

CANADIAN WHEAT TO U. S.

Big Movement of Western Crop to the South

Net exports of wheat and flour to the United States from Canada between September 1, 1920, and February 12, 1921, amounted to 39,000,000 bushels, which was added to domestic supply of 950,000,000.

U. S. Bureau of Markets says that in the above period 69,000,000 bushels went into that country, 30,000,000 of which were in bond for export.

About 3,000,000 bushels went in the form of flour, 57,000,000 bushels by water before closing of navigation, and 9,000,000 by rail to Duluth and Minneapolis.

BETTER OUTLOOK FOR SHINING TREE

Improved Labor Market and Reduced Costs Are Contributing Factors

From Our Own Correspondent.

Sudbury.—Though it has suffered setbacks because of questionable stock deals and because of lack of transportation, The Shining Tree Gold Camp is now shaping up for a great program of development, which if studiously carried out will by the end of the year place the camp in a strong position.

The improved labor market, reduced costs, the possibility of a railway, are all new factors entering into the development of the camp. Right at the present time there is a great rush of machinery and supplies going in and there are large shipments at Westree which may get in before all the snow is gone, although the spring break-up seems near at hand.

At the different properties there is quite a lot of activity. Small gangs are at work setting up machinery and unloading supplies.

The Wasapika is setting up two new 100-h.p. boilers. A stamp mill was taken in this winter and Manager Geo. Rodgers declares that he will have the first mill operating in the camp.

The Herrick is in the hands of Mr. Stevens, an old Porcupine miner. Another boiler is being installed and development plans call for sinking to the 500-ft. level. The staff on the property is efficient, the treasury is reported strong, so that the property should go ahead.

The White Rock (English of Wasapika) lies right in the heart of the camp and is controlled by Sudbury and Toronto interests. A most persistent fissure vein has been traced over the property for half a mile, and assays show that in several places the ore is very rich.

Prospectors just out from the camp report a rich find on the claims of Messrs. Burke and Langtier, Churchill Township. Considerable coarse free gold is seen over several feet of the vein which is in Red Porphyry. The vein has been opened up for 500-ft. and is standing up well.

Sudbury.—During the fall and early winter fears were entertained that if the fur market was to be supplied, it would have to be from other sources than those of Northern Ontario. Prices were down, trappers were disheartened and were joining the logging crews instead of making the rounds of their traps.

However to-day the situation has changed. Prices have improved and the final delivery of the trappers, now being made, is proving to be far greater than the buyers had any hopes for. Many of the trappers admit, however, that they have been holding on, awaiting the better prices. These they are now getting, one example being beaver skins. In December dealers bought them for $10. To-day they are paying $15 or $16.

MINING STOCK QUOTATIONS
Week ending March 29.

	High	Low	Close	Sales
Adanac	1½	....	....	6000
Atlas	18¼	....	....	500
Bailey	3¼	....	....	1000
Beaver	37¼	36¾	36¾	5000
Ch. Ferland.	7	....	....	500
Cons. Smelt.	18	....	....	540
Coniagas ...	1.90	....	....	500
Dome Exten.	60	....	....	3000
Dome Lake..	3⅝	3⅜	3⅜	3500
Dome Mines.	18.25	17.45	18.00	567
Gold Reef ..	3⅞	3⅝	3¾	22000
Great North.	1⅞	....	....	1500
Hargraves...	1¼	....	....	2000
Hollinger ..	6.94	6.85	6.90	2500
Hunton	9½	....	....	500
Keora	18¼	14½	14½	17500
Kirk. Lake ..	49½	49	49½	8500
La Rose	22	21	21	1500
Lake Shore..	1.15	1.14	1.14	2300
McIntyre ...	1.96	1.92	1.96	7600
Min. Corp...	1.00	....	....	100
Newray	6⅜	....	....	1000
Nipissing ...	8.75	8.65	8.70	590
orc. Crown .	21½	20	20½	8500
Preston E.D.	3¼	....	....	500
Schumacher.	23	....	....	1500
Teck Hughes	10	9	10	6500
Thom. Krist.	6	....	....	1000
Trethewey .	14½	14	14½	3500
V. N. T.....	21	20½	20½	12500
W. Dome ...	7	....	....	7000
West Tree..	6	5⅝	5¾	13000
Skead	52	45	52	1500
Le Bel Oro..	30	....	....	500

MORRISON-CABIN CLAIM IN DEAL

Canadian Mining and Leasing Corporation Now in Control of Property

From Our Own Correspondent.

Sudbury.—Another big deal, involving the Morrison-Cabin claim, has been transacted in the Goudreau Gold Camp, along the A.C.R. J. A. Johnson, of the Canadian Mining and Leasing Corporation purchased the claim from the Algoma Exploration and Development Co. for $50,000.

This is the second large deal to be put through in this camp recently, the other being the sale of the original discovery claims of Messrs. McCarthy and Webb. The spring promises great activity in this section.

The Cabin claim is about a quarter mile from the McCarthy-Webb claim and is next to the Morrison No. 1 claim sold to the Lake Superior Corporation by the Algoma Exploration and Development Co. During the past few years considerable surface work has been done at the claim just sold, but no sinking was done.

The new purchasers will undertake the development of the property. This company is also operating in the Rice Lake area in Manitoba where it expects to have a mill going by April 10.

MAKING ENDS MEET

Appeal to Railroad Workers by Rea, of Pennsylvania

In an appeal to employees of the Pennsylvania system, President Samuel Rea declares the company is "opposed to National agreements because they make it impossible to operate the road for the interest of the public as well as for the interest of the employees. One of the most unfortunate features of the present situation is the fact that these National agreements make it impossible for us to retain the most efficient employees and to pay them for the work they do and the energy, initiative and loyalty they put into the job."

The only way to keep expenses within income, says Mr. Rea, is to lower salaries and wages.

"With less business to handle," he says, "and wages taking the abnormal sum of nearly 70 cents out of every dollar the railroad earns, the remaining 30 cents is not sufficient to buy fuel and other materials and supplies, and pay our taxes and other obligations."

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Shareholders and debenture holders of the Canada Land & Irrigation Co. are being circularized by the directors of this company and invited to subscribe for £300,000 7 per cent. prior lien debenture stock at par. The stock is secured as a first charge, subject to certain existing liens in favor of the Canadian Government and the Hudson's Bay Company, upon the company's assets, and is to be redeemed in the years 1929 to 1933 inclusive, at premium of 100 per cent. The Canada Land & Irrigation Co. is an English organization owning some 487,000 acres of land in the province of Alberta. During 1920 4,000 acres were irrigated.

German traders are quoting prices in Spanish markets just low enough to take business away from American merchants.

MONEY BANKING AND EXCHANGE

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The new great influx of settlers which President Beatty, of the C.P.R., maintains is the outstanding hope of pulling down the national railway deficits, should inaugurate an era of fresh development for the Dominion, and suggests immediately that there remains much pioneering to be done by Canadian branch bank managers.

Banking is the first accompaniment of every movement tending toward national progress. It has been the experience of hundreds of Canadian bankers that they must pioneer with the pioneer in the West. Invariably branch banks are established as soon as a town site is laid out.

The C.P.R. president gave it as his opinion that our national railway system can only be made profitable by peopling the town sites along the Grand Trunk Pacific and allied lines. New settlers mean new banking communities.

In the Far North

An even more immediate pioneering prospect for Canadian bankers lies away up in the sub-Arctic at Fort Norman, one of the "farthest north" Hudson Bay posts. There, as mostly everyone now knows, there have been remarkable oil discoveries. Fort Norman is virtually inaccessible because of the distance involved and the rigorous weather that prevails during the winter. But there are gathering along the border line of Canadian civilization great crowds of adventurers, prospectors, and the usual heterogeneous collection of humanity that marks the opening of new oil or mineral fields. As soon as spring opens sufficiently there will be a tremendous rush to Fort Norman, just as there was to the Yukon in the early gold days, and indeed to the nearer Cobalt district. The percentage which will actually reach the oil fields will probably be small and the percentage that reaps any reward even after landing there will probably be smaller yet.

Illustrative of the advance the world is making in transportation recent advertisements in the Canadian press offered airplane passage to Fort Norman and promised flying time about eight hours each way. It is announced that two six-passenger flying boats of a stable, safe type, approved by the British Air Board, will be placed in schedule between Peace River and Fort Norman May 1. The service will be conducted by Canadian aces of reputation.

It was less than ten years ago that Canadian bankers first penetrated the Peace River country. Horse and waggon furnished the fastest means of transportation. Canadian bankers who went in over the trail from Edson, then the end of steel north of Edmonton, in the late autumn of 1911, suffered actual hardship for the ten days in severe weather that it took to cover the distance.

And Times Change

Now a wilderness of seven or eight hundred miles is to be covered in eight hours. Times change!

It is not unlikely—in fact it is a certainty—that before the first 100 or 200 prospectors reach Fort Norman one or more of the Canadian banks will have established a branch there. The outfit and equipment no doubt will go in by airplane, which will mark the first application of this method of transportation in opening new bank facilities in the Dominion.

Bank pioneering to-day pales before the perils and horrors faced by intrepid bank zealots, who carried the accommodation of Canadian banks over the Klondyke trail of '98. Modern science in a quarter of a century has robbed the unknown northlands of their terrors.

Notwithstanding the comparative comfort with which it will be possible for the first Canadian bankers to establish at Fort Norman, a branch opening there at this time presents probably the most exciting prospect to-day confronting the bank pioneer.

Canada Well "Banked"

The next rush of immigrants to Canada will develop many new agricultural districts in the West around which will spring up, no doubt, innumerable mushroom towns. A branch bank will be the first consideration. Last year's 127,000 new comers necessitated very few new branch banks for the reason that these immigrants for the most part were absorbed at already well settled places in the West. It will require a 400,000 influx as in 1913 to change the Western townsite map to an appreciable extent.

With its present population Canada is actually better banked than the United States. In the Dominion there are 4,800 banks or one bank for every 1,800 persons; in the United States there are 36,000 banks, in the ratio of one for every 2,800 persons. So much for Canada's branch system, which makes possible banking accommodation for small centres, where unit banks could not possibly exist.

EXCHANGE MARKETS

Sterling Moves Up—New York Funds Reactionary

Sterling exchange made a conspicuous display of strength during the week, advancing to $3.93¼ for demand, the highest point in a number of months. Francs were slightly firmer in tone. New York funds were reactionary, weakening from 13⅝ to 13½ at the opening to 12 9-16 at the close of the week. The following are the fluctuations:

New York Funds

March 24.—New York funds steady at 13⅝ to 13½, closing at about 13 7-16 to 13½.

March 26.—Opened at 13 7-16, sales at 13⅜, 13 11-32 and 13 5-16 bid at close.

March 29. — Opened unchanged at 13 5-16 sales at 13, 13 3-32, 13 1-32 and 13 at close.

March 30.—Funds displayed further weakness, with sales at 12 13-16, 12¾, 12⅝, 12 11-32, 12 23-32, 12⅝ and 12 9-16 bid at close.

Sterling and Francs

	Sterling Demand	Sterling Cables	Francs Demand	Francs Cables
March 24 ..	$3.91	$3.91¾	14.39	14.37
March 25 ..	3.91¼	3.92	14.48	14.46
March 26 ..	3.91¼	3.92	14.49	14.47
March 29 ..	3.92¾	3.93½	14.41	14.39
March 30 ..	3.93¼	3.94	14.26	14.24

MOLSONS

E. W. Waud, whose death occurred recently at Montreal, was for a number of years manager of the Windsor branch of the Molsons Bank, and about ten years ago was transferred to Montreal where he occupied the position of superintendent of branches.

MONTREAL

The Bank of Montreal has purchased the Commercial Hotel property at Stratford on which it plans to erect a handsome and modern bank building. The price paid for the site is understood to be in the neighborhood of $40,000. Operations are to commence in time to have the structure ready for occupancy on January 1, 1922, when the lease of the bank's present quarters in the Gordon Block will expire.

COMMERCE

On the occasion of the departure of G. A. Bonallie from the Fernie branch of the Bank of Commerce, to become manager of the new Robson Street, Vancouver, branch, the staff presented him with a club bag.

E. M. Bagnall, of Charlottetown, P. E. I. branch, has been transferred to the Moncton branch.

J. McEwen, formerly of the London, Eng., staff, who has recently been attached to the foreign department, has been appointed accountant at Port of Spain, Trinidad.

J. Stewart, of the New York staff, has been transferred to the credit department at head office.

J. W. McPhee of the Star City, Sask., branch, has been transferred to the Lucky Lake branch.

S. McLoughlin, of the Montreal office, has been appointed manager of the branch at Masonville.

John N. Boyle has been transferred from the Montreal branch to Mexico City.

OPERATE ONLY RAILWAY LINES THAT WILL PAY

Continued from page 1.

sult of duplication. He instances three trains out of Winnipeg every night for Edmonton, Canadian Northern, Grand Trunk Pacific, and C.P.R., where there is only enough traffic to make one road pay. Now the only men who can judge whether a road is or can be made to pay is an expert railway man, which calls for the appointment of a board of these from Canada if really independent men can be found, if not, from the United States. These should be called in to report at once, and the Government should act on their recommendations regardless of political pressure brought to bear from various localities to retain a service where it cannot possibly pay its way. A survey of the mileage convinces him that 95 per cent. of the people of Canada would not suffer any injustice, and would have reasonable accommodation by other lines. The sections that are discarded could await the incoming of a stream of immigration that would in time make their operation profitable. Meanwhile it would be cheaper to let them rust than to run them at a loss. This might mean the surrender to rust of thousands of miles: it is the only method, in his opinion, for tackling the problem effectively, tackling it as a private firm would be compelled to tackle it.

DIVIDEND PAYMENTS

Company.	Date.	Rate.	Record
C.P. Rly, pref...	Apr. 1	2	Mar. 1
Do., com.	Apr. 1	2½	Mar. 1
Dom. Iron, pfd..	Apr. 1	1¾	Mar. 15
Dom. Steel	Apr. 1	1½	Mar. 5
Sh. Wht., com. .	Apr. 1	2	Mar. 21
Do., pref.	Apr. 1	1½	Mar. 21
Dom. Bk.	Apr. 1	3	Mar. 19
C. Steam., pfd. .	Apr. 1	1¾	Mar. 15
Wabasso	Apr. 2	1	Mar. 15
Can. Permanent.	Apr. 1	3	Mar. 15
Huron & Erie ..	Apr. 1	1½+¼	Mar. 15
Can. Landed ...	Apr. 1	2½	Mar. 17
Molsons Bk.	Apr. 1	3	Mar. 15
Do., pref.	Apr. 1	1	Mar. 5
Bank N. S.	Apr. 1	4	Mar. 16
Brazilian, pfd. .	Apr. 1	1½	Mar. 15
Can Gen Elec, cm.	Apr. 1	2	Mar 15
Do., pfd.	Apr. 1	3½	Mar. 15
Lon & Can. Ln...	Apr. 1	2¼	Mar. 15
Penmans, com. .	May 16	2	May 5
Do., pref.	May 2	1½	Apr. 21
Cent. Can. Ln. ..	Apr. 1	2½	Mar. 16
pany. They have 500 years to run but			
Rogers Wm., pf.	Apr. 1	1¾	Mar. 15
Riordon Pulp, cum., pfd. ...	Apr. 1	1¾	Mar. 19
Do., 1st cum. pf.	Apr. 1	2	Mar. 19
Ont. Loan	Apr. 1	2½	Mar. 15
National Trust .	Apr. 1	3	Mar. 20
Tor. Gen. Trust.	Apr. 1	3	Mar. 14
Shawinigan	Apr. 11	1¾	Mar. 24
Dom. Glass, com	Apr. 1	1½	Mar. 15
Do., pref.	Apr. 1	1¾	Mar. 15
Tor. Mortgage ..	Apr. 1	2¼	Mar. 15
Price Bros.	Apr. 1	¾	....
Bell Telephone ..	Apr. 15	2	Mar. 31
West. Ind. Elec..	Apr. 1	1¼	Mar. 23
Prov. Paper, com.	Apr. 1	1½+1	Mar. 15
Do., pref.	Apr. 1	1¾	Mar. 15
Can. Bread, pref.	Apr. 1	1¾	Mar. 16
Porto Rico Rly.,c.	Apr. 1	1	Mar. 15
Do., pref.	Apr. 1	1¾	Mar. 15
King Ed. Hotel..	Apr. 15	5	Apr. 1
Laurentide	Apr. 1	½	Mar. 22
Illinois Tr., pref..	Apr. 1	1½	Mar. 15
Ogilvie, com. ...	Apr. 1	3	Mar. 22
Abitibi, pref.	Apr. 1	1¾	Mar. 19
City Dairy, com. .	Apr. 1	1¾	Mar. 19
Do., pref.	Apr. 1	1¾	Mar. 19
Dom. Textile, com.	Apr. 1	2½	Mar. 15
Dome Mines	Apr. 20	25c	Mar. 31
B. Amer. Oil....	Apr. 1	2	Mar. 28
Dom. Coal, pref..	May 1	1¾	Apr. 12
Wnpg. Elec., pfd.	Apr. 1	1¾	Mar. 23
N.S. Steel, com..	Apr. 15	1¼	Mar. 31
Do., pref.	Apr. 15	2	Mar. 31
Tucketts, com. ..	Apr. 15	1	Mar. 31
Do., pref.	Apr. 15	1¾	Mar. 31
Tri-City, pref...	Apr. 1	1½	Mar. 21
Abitibi, com. ...	Apr. 15	1	Apr. 5
Maple Leaf, com.	Apr. 18	3	Apr. 3
Do., pfd.	Apr. 18	1¾	Apr. 3
McIntyre Mines..	May 2	5	Apr. 8
Lyall Cons. . .	Apr. 11	2	Mar. 31
Montreal Teleg..	Apr. 15	2	Mar. 31
Ottawa Traction	Apr. 1	1	Mar. 15
Ottawa Car	Apr. 1	1	Mar. 15

UNLISTED BONDS

P. Burns, 1st Mort., 6s ..	91	99
Can. Machinery, 6s	..	80
Collingwood Ship, 6s	91	..
Harris Abattoir, 6s	89	95
Wm. Davies, 6s	92	98
N.S. Steel, dbs., 6s	75	80
Mex. Nor. Power, 5s ...	7	11
John Morrow Screw, 6s .	84	89
Ontario Pulp, 6s	92	95
Toronto Power, 1924, 5s .	88	..
King Edward Hotel, 7s..	75½	80
Dom. Iron & Stl., 5s (1939)	67	70¾
Lake Sup. Paper, 6s	92	95
St. Law. Sugar, 6s	..	
Whalen Pulp, 7% debs. .	..	

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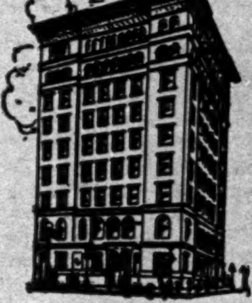


Head Office—Hamilton

BANK OF HAMILTON

49th ANNUAL STATEMENT

28th FEBRUARY, 1921

BOARD OF DIRECTORS

SIR JOHN HENDRIE, K.C.M.G., C.V.O., President
CYRUS A. BIRGE, Vice-President.

H. S. AMBROSE. — C. C. DALTON. — ROBT. HOBSON.
W. E. PHIN. — I. PITBLADO, K.C. — W. P. RILEY.
J. TURNBULL. — W. A. WOOD. — A. V. YOUNG.

J. P. BELL, General Manager.
F. E. KILVERT, Western Superintendent.

LIABILITIES

TO THE PUBLIC		
Notes of the Bank in Circulation		$ 5,493,376.00
Deposits not bearing interest	$ 17,996,910.08	
Deposits bearing interest, including interest accrued to date of statement	50,528,661.00	
		68,525,571.08
Balances due to other Banks in Canada		47,270.56
Balances due to Banks and Banking Correspondents in the United Kingdom		240,726.00
Balances due to Banks and Banking Correspondents elsewhere		423,240.94
Acceptances under Letters of Credit		456,802.07
		$ 75,186,986.65
TO THE SHAREHOLDERS		
Capital Stock paid in		4,998,220.00
Reserve Fund		4,849,110.00
Balance of Profits carried forward		139,264.95
Dividend No. 127 payable 1st March, 1921		174,275.27
Former Dividends unpaid		646.63
		$ 85,348,503.50

ASSETS

Gold and Current Coin	$ 924,581.40
Dominion Government Notes	8,198,111.00
Deposit in Central Gold Reserves	500,000.00
Notes of other Banks	645,058.00
Cheques on other Banks	2,701,696.77
Balances due by other Banks in Canada	168,185.04
Balances due by Banks and Banking Correspondents in the United Kingdom	12,018.85
Balances due by Banks and Banking Correspondents elsewhere	878,045.94
	$ 14,027,697.00
Dominion and Provincial Government Securities, not exceeding market value	2,452,798.28
Canadian Municipal and British, Foreign and Colonial Public Securities	6,018,117.82
Railway and other Bonds, Debentures and Stocks, not exceeding market value	416,134.85
Call and Short Loans (not exceeding thirty days) in Canada, on Bonds, Stocks, etc.	6,686,445.94
	$ 29,601,193.89
Other Current Loans and Discounts in Canada (less rebate of interest)	50,416,647.20
Real Estate other than Bank Premises	691,077.99
Overdue Debts, estimated loss provided for	206,563.01
Bank Premises, at not more than cost, less amounts written off	3,104,765.78
Other Assets not included in the foregoing	646,453.56
Deposit with the Minister of Finance for the purposes of the Circulation Fund	225,000.00
Liabilities of Customers under Letters of Credit as per contra	456,802.07
	$ 85,348,503.50

PROFIT AND LOSS ACCOUNT

Balance at credit of Profit and Loss Account, 28th February, 1920		$ 85,249.74
Profits for twelve months ended 28th February, 1921, after deducting charges of management, interest accrued on deposits, rebate on current discounts, and making provision for bad and doubtful debts		888,018.27
Premium on New Stock		499,110.00
		$ 1,472,378.01
DISPOSED OF AS FOLLOWS		
Quarterly Dividends at rate of 12 per cent. per annum	$ 551,156.29	
Two bonuses of ½ of 1 per cent. each	47,412.45	
Total distribution to Shareholders of 13 per cent. for the year		598,568.74
To Pension Fund, Annual Assessment		20,434.32
For Dominion Government Taxes		65,000.00
Transferred to Reserve Fund—From Current Profits	$ 150,000.00	
—From Premium on New Stock	499,110.00	
		649,110.00
Balance of Profits carried forward		139,264.95
		$ 1,472,378.01

RESERVE FUND

Balance 28th February, 1920	$ 4,200,000.00
Premium on New Stock	499,110.00
Transferred from Profits	150,000.00
	$ 4,849,110.00

JOHN S. HENDRIE,
President.

J. P. BELL,
General Manager.

AUDITORS' REPORT

In accordance with the provisions of sub-sections 19 and 20 of Section 56 of the Bank Act, 1913, we report to the Shareholders as follows:

We have audited the above Balance Sheet and compared it with the books and vouchers at Head Office and with the certified returns from the Branches. We have obtained all the information and explanations that we have required, and are of the opinion that the transactions of the Bank which have come under our notice have been within the powers of the Bank.

We have checked the cash, and verified the securities representing the investments of the Bank, at its Chief Office and principal Branches at a date other than that of the verification at the Chief Office on the 28th February, 1921, and found that they were in agreement with the entries in the books of the Bank relating thereto.

In our opinion the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Bank according to the best of our information and the explanations given to us, and as shown by the books of the Bank.

Hamilton, 14th March, 1921.

C. S. SCOTT, F.C.A., of C. S. Scott & Co.
E. S. READ, C.A., of George A. Touche & Co.
} AUDITORS.

NEWS AND VIEWS FOR MANAGERS

WHAT MANAGERS SHOULD LOOK FOR IN STATEMENTS

An Important Consideration in the Making of A Loan

AS TO QUICK ASSETS

Various Headings Under Which They are Described —A Summary of Liabilities Under Various Items

A recent article by the credit manager of one of the American trust companies explains in detail the requirements of the Federal Reserve banks in connection with the rediscounting of trade paper. It shows the intention of the authors of the law that, so far as humanly possible, the business of these banks shall be confined strictly to the handling of paper which can be depended upon to be retired at maturity, and thus permit the continuous turnover of credit which is necessary to ensure the success of the undertaking. When any paper is offered by a member bank for discount, an authentic statement of the financial condition of the maker bearing date of the current year must be filed with the Federal Reserve bank, and this statement must stand close analysis. When once accepted the statement holds good for a full year. The regulations are:

1. It must bear date of the current year.
2. It must be officially signed.
3. It must show whether it represents corporation partnership or individual.
4. It must show the class of business.

In the analysis it must measure up to two requirements:

(a) Is the net worth greater than the total liability?

(b) Is the ratio of quick assets over current liabilities 2 to 1?

The term quick asset is generally taken to be an asset readily convertible into cash or readily realizable, and the term current liability signifies a liability payable within a year from date of statement. The regulations of the Federal Reserve, however, are much stricter in their definition. Under its ruling quick assets consist of:

1. Cash on hand and in bank.
2. U. S. Government obligations.
3. Notes receivable and trade acceptances.
4. Accounts receivable.
5. Merchandise (finished, paid for in advance or unfinished).
6. Raw material.
7. Cash surrender value, life insurance.
8. In some cases accrued interest.
9. Live stock.

Current Liabilities.

1. Trade acceptances.
2. Bills payable, merchandise, banks, or individual.
3. Accounts payable.
4. Deposits of money.
5. Due endorsers.
6. Accrued accounts.
7. Certain reserves which are set aside to cover obligations due within the year (such as reserves for accrued income and excess profit taxes of the past year which are payable quarterly during the year.)

These are the regulations, and any items claimed as quick assets in addition to these must be revealed, and their value definitely ascertained, in order to satisfy the Federal Reserve Board.

Benefits of Regularity

The benefits accruing to the business community from the necessity of preparing a yearly statement of affairs which will stand close analysis on clearly defined standards will be incalculable. Men will be forced to face actual facts at stated intervals, and this in itself will do much to prevent trouble. The pressure will not come from the local banker, but from a source independent of both bank and customer and excuses will be of no avail. The statement must be forthcoming on time and must measure up to requirements. Those who have had to do with the deficiency accounts of bankrupts know that in practically every case the failure came, not as the result of one transaction, or of one group of transactions, but of a series spread over a period of time, usually several years. In each case the trend would have been clearly shown by the statement of the business had it been forthcoming and been analyzed in the regular way.

Creditors Are Hopeful

Ordinarily it is comparatively easy to evade giving a statement for one reason or another, and often to avoid it altogether. Creditors as a rule are hopeful, even when they recognize the danger signal. Something like the old darky preacher who said at the funeral of a parishioner of doubtful record, "We hopes he is gone whar we 'spects he ain't."

In Canada the requirements of the Federal Income Tax Commissioners will perform a similar service to the commercial community by requiring each year a trading and profit and loss account from all in business. One great difficulty in the past has been the appalling number of men in business whose bookkeeping methods were of the most rudimentary order, and from which it was impossible for them or their creditors to get any clear idea. It is not to be expected, of course, that the necessity of giving a yearly statement to the tax commissioner will bring about proper records everywhere immediately, but it will do much, and any change in that direction must be a change for the better. One thing about the tax statements is certain—the profits declared will be conservative.

FOREIGN BANKS SAFE IN FRANCE

Harmful Legislation is Not Considered Likely Under Present Circumstances

Information received recently from Paris, by banks having branches in the French capital, indicates that there is no reason to fear the passage of legislation harmful to their interests. The private bill introduced some time ago in the Chamber of Deputies, proposing a heavy tax on the capital of foreign banks, is understood to be without significance, and without a chance of becoming law. Probably nothing more will be heard of it, since, as the matter is viewed here, the French Government is not in a position to be able to approve any such legislation.

One of the arguments by which the bill was supported is the fact that foreign banks in New York do not possess the privileges which are enjoyed by foreign banks in Paris, more particularly the right to accept deposits.

A bill to remedy this state of affairs passed the last legislature at Albany, but was vetoed by Governor Smith. It was introduced again in the present session but has been smothered in committee. It is understood that the opposition of one of the large Broadway banking institutions has been effective in killing all chance of legislation for the present.

U.S. SCHOOL SAVINGS

Nearly $3,000,000 Deposited During Last School Year

The American Bankers Association recently called for a semi-annual report on all school savings banking systems. These show that the pupils either deposited in regular bank accounts directly or through the purchase of stamps a total of $1,691,856 between the opening of the present school year and February 1. The total reported for the entire school year of 1919-1920 was $2,800,301.

On February 1 the pupils had $381,428 in undivided school deposits; balance in individual pupil accounts, $3,819,383; a total of $4,200,872. Owing to the failure of many operating savings banks to segregate such accounts, this amount is estimated to be less than 50 per cent. of the balance to the credit of pupils in the operating banks. It compares with a total of $2,740,628 reported for the school year 1919-1920.

The report is for 2,620 school buildings, with a total enrolment of 1,430,936 pupils. The 1919-1920 data was based on enrolment of 1,015,653. Cash withdrawals by pupils are reported as $583,009.

DOES HE DO IT?

U. & M. Bulletin.

Besides keeping his cash in perfect balance and standing all day in one spot, all that a teller is supposed to do is:

To call each depositor by name.

To dispel any frigidity that might be lurking around the lobby.

To fill out deposit slips for customers who thoughtlessly fail to do it for themselves.

To take that "Nobody Knows Me" feeling out of every new person who enters the bank.

To smile pleasantly a thousand times a day.

To give information to people who want the rent department or possibly the chief of police.

To anticipate the kind of change people want for their checks.

To keep those who are waiting for their turn at the window in a good humor and always act graciously towards cantankerous and unreasonable customers.

Always to possess himself in patience no matter what happens.

In short, to create the proper atmosphere for the bank so that people will be glad to come in the door, and will eagerly seek out their friends to tell what a delightful place their bank is.

DOMINION

The Dominion Bank has decided to open a branch in Kenora, having succeeded in leasing premises in the Brydon Block.

BANK TRADES IN CREDIT BUT DOES NOT CREATE IT

Loans Cannot be Made By Merely Turning on The Tap

ON BUSINESS BASIS

Functions of Banker and Grocer Are Not Very Different—Both Are Traders in Commodities

In the following article A. B. Barker, manager of the Toronto Clearing House, and an experienced banker, treats with a complaint that is often heard about the banks and which managers should be ready to meet in an effective way. The idea that the banks have an inexhaustible reservoir of capital and that each manager has his hand on a tap, which he frequently turns off, simply because he is stingy, is not good for banking and is not good for business.—J. W. T.

It is believed by many that a bank manufactures credit and this is true enough, in the sense that it makes a finished article out of raw material, but it is frequently taken to mean that it creates credit. The too common belief in this function of a bank is to a large extent responsible for the criticism of banks when credit is necessarily curtailed. "The banks have lots of money but wont let it out." is heard very often as the cause of shortage.

In reality however the curtailing of bank advances is not the cause but the effect. A bank creates credit only to a very limited extent and temporarily. It is more a trader in credit in the same sense that a grocer is a trader in groceries. He buys from various sources and supplies the wants of his customers. His reputation and standing give a warrant to his customers as to the quality of the goods he supplies. In his business he performs a very real service by buying the wares his customers want, and making them available at the time and in the quantities required.

Concentrating Funds

The bank does exactly the same thing with credit. John Smith in one section has a surplus of funds which he cannot himself use to advantage, and deposits it with his bank. As there are many John Smiths with varying surplus funds, the bank acquires large amounts in this way—deposits. In the hands of the original owner this credit has a very limited currency—only where he is known—but in the hands of the bank the currency of the credit is extended to wherever the bank can operate, either directly or through its agents and correspondents. It makes unknown credits known and available.

Like the grocer the bank obtains this credit on certain terms, and must be prepared to repay to its depositors the deposits on demand. If all wanted their money at once no bank could continue in business, but just as a grocer's payments are spread out over a period, sufficient to enable him to turn his stock into cash by sales, so too are the bank's payments in practice. Experience has shown that by holding a percentage sufficient to provide for the usual daily withdrawals, and a further sum in case of sudden calls, the balance may be used in its business in loans and discounts. It follows, however, that these investments must be in liquid form and so arranged that there will be a daily stream of payments coming in as the loans mature. This enables the bank to meet their daily withdrawals of deposits and to provide accommodation for the various classes of business in their turn.

Put shortly, all the bank has to do is to invest its funds so that it may make a profit and be able to repay its depositors when they want their money. The Confederate General Forrest used to say that all there was to strategy was to "git thar fustest with the mostest men." The theory in both cases is very simple; it is the putting it into practice which counts.

BALLANTYNE ON MARINE DID NOT FIGURE INTEREST

Continued from page 1

day as $130 per ton. Possibly the reproduction cost would equal this, but Mr. Bosworth, chairman of the Canadian Pacific Ocean services, in a recent interview, stated that he could get all the new ships he wanted at from 50 to 75 dollars a ton. Captain Robert Dollar puts the cost of new shipping in Great Britain at $72 per ton. On this basis, the actual value of the Canadian fleet would have to be marked down heavily.

There were points in the Minister's statement, however, well worthy of commendation. The Canadian Mercantile Marine has undoubtedly done a great work, and apparently done it well, in opening up new trade routes all over the world, and no Canadian manufacturer or other producer can complain to-day of lacking adequate facilities for the carrying of his products to any market he may seek. The creation of the fleet, too, was begun in a time of dire stress in the shipping world, and at the urgent solicitation of the British government. Its construction also did much to relieve the unemployment situation when it was at a most acute stage.

There will certainly be very minute and strong criticism of the statement when it comes up for detailed discussion when the estimates are gone into. It will probably take the general line that, while the beginning of the program of construction was justified, the Minister should have done as he stated in the House session he could do—dispose of the ships built at a profit and leave their ownership and operation to private enterprise.

LOOK FOR PRICE REDUCTIONS BY U.S. STEEL CORP.

Continued from page 1

but are mainly concerned with keeping business moving, and thereby hastening the approach of better times that lie before. One firm which deals in the wholesale clothing trade reports that it has a larger staff of travellers on the road at the present time than ever before. This is the outcome of the conditions which have developed, for there is little doubt that business has now entered upon a period of keen competition. The efficient organization will win at the end, but in the interval the maximum of effort on the part of every individual will be required.

Farm implement dealers recently consulted in St. Catharines and Welland report a larger volume of sales for the months of January, February and March of this year than for the corresponding period last year. One dealer placed the increase for his particular firm at 20 per cent. In explanation of this favorable condition it was pointed out that the dealers realizing that the farmers would be diffident in buying during the season had organized more effective sales forces, and had concentrated to a greater degree than usual in the work of selling, with the very satisfactory results outlined above. The margin of profit will, however, be materially reduced through the increase of overhead expenses. Implement manufacturers on the other hand report conditions as exceedingly quiet. Business has continued of fairly satisfactory proportions throughout the closing months of the past year and the early months of the new year, but there has been a conspicuous slackening of demand in recent weeks.

In the larger centres the volume of unemployment as yet shows no signs of abating. A report from Montreal indicates that the number of unemployed in that city reaches thirty thousand. Offsetting the unfavorable conditions in the industrial field a number of developments of a favorable character are about to materialize. A number of large building projects are assured for the present season, among which may be mentioned the Mount Royal Hotel, an extension to a warehouse for the Crane Co., a large addition to the plant of the Canada Cement Co., and a million-dollar extension to the new building of the Sun Life Assurance Co. This construction will go far toward relieving the unemployment situation in Montreal.

Intermittent signs of life are evident in some lines, but on the whole business continues slack. The general public has acquired a new respect for the dollar; a spirit of economy reigns. Production costs are still reclining at high levels, and a great deal remains yet to be accomplished before the adjustment is completed, and business is ready for its awakening.

Weekly Bank Clearings

(In comparison with same week last year)

(Eastern Cities)

	Mar. 24, 1921.	Change	%
Toronto	$ 94,309,284—	$ 1,805,956	1.8
Montreal	100,802,152—	20,754,346	17.0
Ottawa	6,621,687—	1,538,743	18.8
Hamilton	5,486,086—	1,144,005	17.2
Quebec	5,927,410+	62,412	1.0
Halifax	2,863,241—	974,440	25.3
London	2,809,283—	613,988	17.9
St. John	2,687,790—	485,508	15.3
Windsor	2,735,048—	261,737	8.7
Brantford	1,136,456—	114,920	9.1
Sherbrooke	1,085,454+	84,081	3.4
Kitchener	928,553—	246,817	21.0
Peterboro'	821,970—	81,943	9.0
Total East	$228,166,414—	$27,925,910	10.9
Moncton	1,178,264		

(Western Cities)

	Mar. 24, 1921.	Change	%
Winnipeg	$ 36,674,955—	$ 5,599,195	13.2
Vancouver	12,621,492—	5,780,463	31.4
Calgary	6,121,426—	2,258,691	26.9
Edmonton	4,294,657—	1,890 290	30.5
Regina	3,316,556—	677,515	16.9
Victoria	2,697,380+	298,400	12.4
Saskatoon	1,816,925—	227,306	11.1
Moose Jaw	1,284,878—	325,641	20.2
Ft. William	864,980—	4,817	.5
Brandon	648,457—	33,575	4.9
Lethbridge	526,186—	225,004	29.9
N. Westminster	484,598—	401,760	45.3
Medicine Hat	360,987—	78,104	17.7
Pr. Albert	306,087—	175,418	36.4
Total West	$ 72,019,564—	$17,379,379	19.4
Grand total	$300,185,978—	$45,305,289	13.1
Yr. to date	$3,951,465,698—	$254,737,148	6.0

Epworth Savings Bank, Epworth, Iowa, saved by Anakin Burglar Proof Lock.—March 10, 1921.

This is the Last Addition to the

Wholesale Prevention of Bank Burglaries

There is Only One

Genuine Anakin Burglar Proof Lock

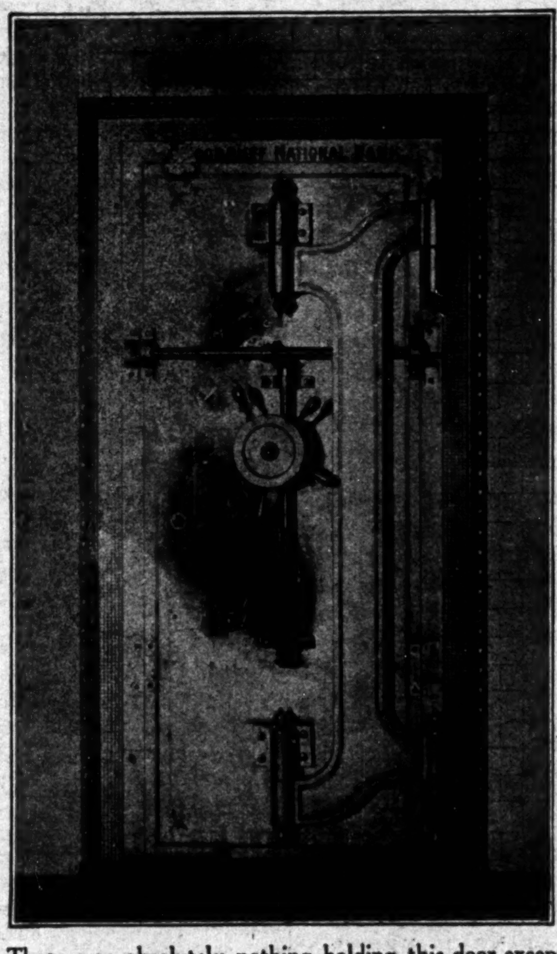
It Reduces Insurance, Gives Proven Protection

PROOF BURGLARIES Prevented by Anakin Locks

Bank of Lanyon, Lanyon, Iowa, Sept. 29, 1919.
First National Bank, Wyanet, Ill., Oct. 30, 1919.
Farmers & Merchants State Bank, Leland, Ill., Nov. 17, 1919.
Franklin Grove Bank, Franklin Grove, Ill., Nov. 25, 1919.
McClure & Jacobs Bank, Arrowsmith, Ill., Nov. 28, 1919.
Arrowsmith Bank, Arrowsmith, Ill., Nov. 28, 1919.
Buffalo Bank, Buffalo, Ill., Dec. 17, 1919.
Smithland Bank, Smithland, Iowa, Feb. 17, 1920.
Mahomet Bank, Mahomet, Ill., March 17, 1920.
First National Bank, Woodhull, Ill., April 13, 1920.
Woodhull State Bank, Woodhull, Ill., April 13, 1920.
Buck Creek State Bank, Buck Creek, Ind., May 20, 1920.
Nichols Savings Bank, Nichols, Iowa, June 17, 1920.
Farmers Savings Bank, Calamus, Iowa, June 22, 1920.
Cherry Valley State Bank, Cherry Valley, Ill., June 23, 1920.
Edgerton State Bank, Edgerton, Ohio, June 25, 1920.
Sublette Exchange Bank, Sublette, Ill., June 28, 1920.
Arlington State Bank, Arlington, Ill., July 21, 1920.

18 MONTHS' RECORD

THIS picture below shows the vault door of the Woodruff National Bank, Dunkirk, Ohio. The only case on record where any locking device ever prevented burglary where acetylene torch was used.



There was absolutely nothing holding this door except Anakin Burglar Proof Locks.

Write or Wire for Full Particulars or Demonstration

PROOF BURGLARIES Prevented by Anakin Locks

Farmers State Bank, Elberon, Iowa, Aug. 18, 1920.
Citizens State Bank, Tab, Ind., Aug. 21, 1920.
First National Bank, Norway, Iowa, Aug. 22, 1920.
American Savings Bank, Staceyville, Iowa, Aug. 23, 1920.
First National Bank, Oneida, Ill., Sept. 13, 1920.
State Bank of East Stanwood, East Stanwood, Washington, Sept. 14, 1920.
Bank of Emma, Emma, Mo., Sept. 17, 1920.
Peoples Bank, Mt. Jackson, Va., Sept. 19, 1920.
Valley State Bank, Post Falls, Idaho, Oct. 7, 1920.
Woodruff National Bank, Dunkirk, Ohio, Oct. 8, 1920.
Somonauk State Bank, Somonauk, Ill., Nov. 13, 1920.
First State Bank, Magnolia, Ill., Nov. 20, 1920.
Imbler State Bank, Imbler, Ore., Dec. 2, 1920.
First National Bank, Percy, Ill., Jan. 5, 1921.
Farmers Savings Bank, Bulpitt, Ill., Jan. 12, 1921.
Farmers Bank, Buckingham, Ill., Feb. 2, 1921.
Miller Co. Exchange Bank, Olean, Mo., Feb. 2, 1921.
Epworth Savings Bank, Epworth, Iowa. March 10, 1921.

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TORONTO, APRIL 1, 1921

A DOG-IN-THE-MANGER POLICY

THE announcement that the action of the Attorney General of Ontario asking for a declaration that the Great Lakes Company "was obliged to take power from the Hydro-Electric Commission at cost" has been dismissed with costs, conveys with typical brevity the news that another corporation has been justified by the courts in refusing to be tied up to an impossible Beck contract. It is very questionable, however, if this big scheme for development in Northern Ontario—involving several millions of that new capital which the country so greatly needs—will now go forward in view of the situation which has arisen.

The reason that the Great Lakes people regarded the Beck contract for power "at cost" insurmountable to the successful consummation of their plans was that it was so one-sided in its conditions as to price, delivery, etc., that big American bankers could not undertake to raise the necessary capital on such security. The effort was then made to make it conditional upon the completion of timber limit charters by the provincial government that this power contract be entered into.

Representatives of the Great Lakes Company, representing big paper manufacturers in the United States, therefore, seeing no hope of financing on the basis of the Beck contract, refused to sign. The courts uphold them in this attitude. But they are now in the position that if a contract on a fair basis cannot be secured they will have to develop their own power to get it from some other source—a very difficult problem in view of the fact that the Hydro has long followed the policy of "sewing-up" every available water power whether or not it could see any immediate use for it in connection with its own projects.

A leading Canadian financier, who himself has headed great power developments, has stated that he would never invest another dollar in Ontario undertakings. Are the pulpwood assets of the province to remain tied up for want of the necessary outside capital through the Hydro's dog-in-the-manger policy?

THE TRANSPORTATION BURDEN

THE labor problem of the railroads is twofold. There is not only the situation that under the McAdoo award wages have been put on a basis which is out of line with those paid in the other industries, but the other situation that the increases have been followed by a material decline in production and efficiency. This not only holds in the United States but in Canada where there is perhaps a better opportunity to judge results under government and private control.

A railroad man, who has made a close study of conditions under government operation, both in the United States and Canada, whose name can hardly be given in view of his present position, tells THE FINANCIAL POST that the recent experiences proved that it is impossible, under human conditions, to get the same efficiency under government control as under private control. He instanced that when the American railways went under government control they increased their section men from three to four for each section and the larger gangs did less than the smaller had previously done. When these railways came back under private control there was a reduction from four section employees to three as formerly and a certain amount of work was set for a certain time. In a short time three men were doing almost 25 per cent more work under private operation than four men under Federal control.

The importance of efficiency in the operation of great organisations like the Canadian railways cannot be too greatly emphasized. Cheap transportation is a vital factor in agricultural and industrial production in any country and particularly so in one of vast distances. A prosperous Canada demands that not only should the country be relieved from the annual burden of railway debt, but that transportation costs be actually reduced.

CANADIAN GOODS MUST STAND ON MERITS

NO one understands better the advantage to Canada economically to have Canadians buy goods made in this country than Sir Henry Drayton. The daily quotations on exchange are a constant emphasis—both financial and sentimental—to the appeal which he has recently been making to consumers. But Sir Henry cannot expect and the manufacturers have no right to expect that Canadian goods will be bought in preference to imported goods unless there is equal value. This is well understood by the retailers who know best the attitude of the consumer. The Hudson's Bay Company, out of the many years of its merchandising experience, deals with the matter as follows in an editorial in The Beaver:

> The "Made-in-Canada" movement is receiving fresh impetus from various quarters, but the success of this crusade, which aims at greater Canadian prosperity, is in the hands of that familiar despot, the "Law of Supply and Demand," which causes the "best laid plans of mice and men" to "gang aft agley."
>
> "Buy-in-Canada" or "Buy Canadian-made goods" must come first.
>
> Who is there to convince Canadians that goods made by Canadian factories are equal, at the price, to those produced elsewhere? Patriotism we surely have, but patriotism alone cannot for long bolster weak goods on a normal market. Ruthless competition is king in commerce.
>
> In the interests of Canadian industry and the "Buy-in-Canada" movement, the "Made-in-Canada" label should not become a libel. The label should not be permitted on products which are not worthy of the public's confidence.
>
> The true Canadian will always buy Canadian-made goods in preference to others if his countrymen can show him equal value for the same price. In paper, furniture and shoes this is being done. Why not in other lines?

Sentiment will not be an effective factor in increasing the consumption of Canadian-made goods unless other things are equal. This will not only apply to imports from the United States, but it will apply largely to imports from Europe. If, therefore, experience proves that the high value of the dollar in Europe and a lower wage scale result in large imports of European manufactures to the detriment of Canadian industry and the aggravation of the condition of unemployment then tariff changes to prevent anything like dumping may have to be seriously considered. All indications point to a period of keen competition in the industrial world and Canadian manufacturers should bend their energies to efficient organization looking to the production of the maximum of quality at a minimum of cost.

AIDING THE MUNICIPALITIES

A NUMBER of municipalities and municipally-owned telephone enterprises in Saskatchewan have recently failed to meet interest on their bonds. On the one hand is the argument of the bondholders and investment houses that to protect the good name of the province and of Canada with investors at home and abroad the province should assume full liability. On the other, Hon. C. A. Dunning, provincial treasurer, is credited with the statement that the province "will not be driven into assuming obligations for their liabilities."

That the positions of the interested parties are not so far apart as might seem by the foregoing and that a common ground can be established for mutual benefit is the opinion of THE FINANCIAL POST. For the province to pay the defaulted interest would undoubtedly be a mistake. It would establish a precedent which would result in reckless borrowing and spending in the future. But the Provincial Government cannot in its own interests afford to undermine provincial credit by evading all responsibility.

The present emergency demands the appointment of some responsible body to investigate the affairs of the municipalities in difficulty and take steps to insure that constructive management which will insure the bondholders of eventually getting back their investments or a goodly part thereof. The future demands that a closer check be kept upon municipal bond issues. This is a duty which the province cannot afford to shirk. Municipalities imbued with local pride and administered by inefficient visionaries have been reckless in the past and will be so again in the future when Western activity is resumed if necessary precautions are not taken.

EDITORIAL NOTES

THAT THE British Government when it went into the coal business took hold of the tail of a wild animal—and is now afraid to let go—is the way in which the fuel situation there appeals to B. C. Forbes.

* * *

"THE LESS we interfere with the ordinary business activities of the people the better," declares Premier Drury—a sentiment which does credit to the leader of the U.F.O. and would do credit to the leader of any party.

* * *

THE SUBSTANTIAL majority of the Meighen Government on divisions in the Commons justifies the advice that the Premier should not be stampeded into an election and that it is the duty of the representatives of the people to give their attention to the business problems of the country until an election is brought on in the usual way.

* * *

SIR HENRY DRAYTON makes an effective point when he declares that it is not only in manufactured luxuries, but in hot-house fruits and other agricultural luxuries that Canada is piling up her adverse balance of trade. Three millions a month is a big bill for fresh and preserved fruits, when Ontario apples and peaches rot on the ground.

* * *

"THE more the general subject of transportation is studied, the more the Doubting Thomases are compelled to recognize that self-propelled vehicular traffic is an economical item of great importance in this workaday world, with its multiplying duties and increasing responsibilities," declares George C. Diehl, chairman Good Roads Board, American Automobile Association.

* * *

BEFORE doing anything in the direction of establishing a provincial bank in British Columbia, Provincial Treasurer John Hart will carefully study the experiments in Manitoba and Ontario. That sound judgment indicated in other phases of public finance should provide reasonable safeguard against anything ill-considered being done in this connection.

* * *

THE Grain Growers' Guide grows sarcastic on the relationship of capital to hard work and saving when quoting figures—in themselves meaningless—about the packing industry. It would be interesting to compare results on the original investments in the average packing concern with those on the average farm, when the value of property and other assets is taken into consideration.

* * *

PRINCE RUPERT reports twelve carloads of halibut offered for sale at the local fish exchange and but four cars available for Eastern shipments. Which would seem to indicate that the railroad problem is not altogether one of increasing the available business. There have been frequent complaints from Prince Rupert that the fishing industry is being seriously handicapped because of lack of adequate shipping facilities.

Some Arguments for an Advisory Tax Commission

Would Apply Scientific Methods to the Tariff and Other Revenue Problems Now of Vital Importance to the Nation

By J. COURTLAND ELLIOTT,
Department of Economics, University of Saskatchewan.

A minister of finance knows that all that glitters is not gold and that it is an exceedingly difficult task to tap the sources of national wealth in such a way that they do not tend to dry up. However desirous he may be to apply his system of taxation in conformity with the cardinal principles of universality in scope, uniformity in incidence, suitability in application and efficiency in administration, his ideals must be continually modified in practice by the pressing exigencies of a score of influences.

To most men an ideal system of taxation is probably a mirage—a dream to be effected only when a cigar and a shoe shine can be secured for a nickel or other more remotely possible hopes of modern mankind are fulfilled. From the indications of present interest in our tax problems, however, it is not improbable that with sane and reasoning discussion rather than with wild-eyed enthusiasm Canadians may, in some measure at least, some day reach the promised land by keeping their eyes on their particular mirage.

For the present the journey to ideal taxation is impelled in Canada by many obstructing influences, political, social, economic and selfish. It is certain that the increasing complexity and interdependence of social and business relations from national, imperial and international standpoints, as well as the progressive advance since 1914 in Canada's foreign trade relations must cause us to halt before we rashly attempt to rush forward into new paths when the time comes to revise our tax system and especially our tariff schedules. The desire to advance the truly productive agencies of the country as distinguished from the industries engaged in the production of mere fripperies and foibles, the need to ponder over our future relations with the rest of the British Empire before extending preferential trade relations, and the ability of Canadians to assist in the rehabilitation of Europe must ever remind us to be wary lest we make unreasonable levies upon our own productive capital or indiscriminately grant untimely favors or be so self-centered in our international relations to fail to recognize that our destiny is inextricably bound up with the restoration of European economic conditions and especially of European currency.

Moreover, the authority of the Federal Government to levy taxation is limited in practice, if not in law, by the jurisdictional division of tax authority in the British North America Act. The successful tax system of the future must be consummated by closer relations with the provincial legislatures if equity is to result. The intrusion of the Federal authority into the hitherto exclusive jurisdiction of the provinces in the matter of levying direct taxes is today resulting in considerable unfairness, evinced most clearly in the case of taxation of incomes by the federal, provincial and municipal authorities in at least two provinces. It would seem desirable, therefore, that an amicable arrangement must be made by conferences between the Dominion and the provincial officers in effecting a more discreet division of tax authority before the principle of uniformity is attained. There is, in addition, a real need for a study of the incidence of taxation and the adaptability of certain forms of taxation to Canadian conditions, particularly when the federal authority has entered upon the collection of taxes upon bases also utilized by the provincial governments, a violation of what was formerly considered a tacit agreement.

The geography of Canada and the diversity of population limit effectually the possibilities of efficient tax collection by some very desirable methods, illustrated by the failure of the federal income tax to touch all the people, and there are also administrative difficulties arising with respect to the proper co-ordination of different taxes in the federal sphere for the purpose of making their collection most economical.

More Revenue Needed

Finally the recent estimates presented to Parliament emphasize the need for revenue not only for current and capital expenditures, but also in the course of a few years for a sinking fund to amortize our heavy war debt. Nations, like men, are apt to replenish their funds from the readiest sources when hard pressed, and the rule of expediency rather than of reason prevents the formulation of idealistic schemes.

It has been possible to outline in the merest skeleton form some of the limitations that must always be considered before the final acceptance of any tax, but their importance cannot be over-emphasized, for they are the bed rock of Canadian conditions. It should be apparent that it is a matter of exceeding difficulty with which Canada is faced when an attempt is made to levy adequately and collect efficiently taxes from nine million persons scattered from coast to coast.

With tremendous natural resources, the successful development of which is contingent in large part upon the tax system in vogue, with the possibility of greater expansion of our foreign trade, with the destiny of the Dominion lying in the balance the opportunity for sane tax legislation was never so great.

The immediate decision with particular reference to our taxation policy lies with the government of the day. At the present time the larger program of tariff protection must rest with the will and pleasure of the people, and it is eminently desirable that when the decision comes to be made adequate facts will have been produced upon which to base judgment. Whatever may be the final result of the people's will it is evident from the declarations of the various leaders that the tariff will not be wiped from the slate.

Information Needed

Biding that time and more especially after the poll has been taken the formulation of the tax and tariff policy should not be left to the discretion—or indiscretion—of legislators without wide information concerning the status of industries which might be affected. Under present conditions the average parliamentarian is prevented by pressure of other duties from an investigation of the multitudinous details of tax and tariff intricacies, and it is the contention of a growing body of public opinion that the studious and scientific preliminary researches should be conducted by a competent and impartial advisory commission appointed to supply necessary information not only to the legislators, but to the electorate for interpretation.

Indeed, an intelligent electorate is essential for stability and upon the tariff issue to-day there is an unsettled attitude based in large part upon inadequate information concerning its specific aspects which might readily be remedied by the results of investigations by technical experts. While it certainly cannot be denied that there is glib talk about protection and free trade as if it required only a wave of the hand to wipe out the tariff and introduce a New Jerusalem into Canada, there are, on the other hand, certain stand-pat advocates of the privilege of protection whose uncompromising attitude must work their own undoing. A reasonable attitude can only result from the publication of facts and figures, and it is becoming apparent that any arguments advanced in the tariff controversy must not be single-sided, but comprehensive in including reference, first, to the attitude towards industries already established under the "National policy," and, secondly, towards the establishment of desirable and new industries.

Consequently, without reference to the extent to which protection or free trade may be considered advantageous by the electorate, the tariff policy must recognize the necessity of assiting in the rehabilitation of Europe and more particularly include a definite appraisal of the value of the three classes of industries mentioned below:

(1) Vested interests, i.e., the proportion of Canadian industry which was given the first stimulus under the policy of protection and justifies its continuance today as a vested right to be rescinded only when investigation determines that the privilege is no longer necessary or inimical to the social welfare.

(2) Key industries, i.e., those industries manufacturing a vital product for other production or essential in times of emergency, including industries created in Canada as a result of the needs of the last war.

(3) Proposed industries which careful investigation might show Canada would have an advantage in production and eventually of marketing, thus being able to stand without protection in open competition within a reasonable number of years when markets have been established.

Whatever may be the final decision of the Canadian people upon the merits or demerits of protection and whatever may be the attitude of the members of Parliament to legislation brought forward, it is evident that the appointment of a Federal Advisory Tax Commission is an imperative necessity in the days of readjustment—not, in truth, to usher in the scientific tariff or ideal taxation—miracle of the mirage—but to study scientifically and propose rationally a programme of taxation best adapted to the peculiar Canadian conditions.

In addition to the preparation of reports upon the tax and tariff problems mentioned above, especially with reference to the difficulties arising in the determination of a taxation policy, the problems of administration and incidence, as well as the supplying of information on Canadian economic conditions upon which to base the tariff policy I venture to suggest, as briefly as possible, some

Continued on page 11.

PERSONALS

SYDNEY C. TWEED, president of the Ontario Equitable Life & Accident Assurance Company, is the person who has made it possible for his company to write over $2,000,000 of new business in the first four months of its operation. Mr. Tweed is the youngest life insurance president in Canada. He was 34 years old five days before he started his new company last November. Mr. Tweed started in the insurance business at 15—as an office boy — and has been with several companies. Before starting the Ontario Equitable he was superintendent of agencies for the Mutual Life Assurance Company.

JOHN WHITSELL, who recently assumed the position of manager of the Winnipeg Electric Railway Company, has a long experience in similar work in the United States. Before coming to Winnipeg he was general superintendent of the Chicago and Inter-urban Traction Company. He began his career in the electric railway industry in 1891, when he entered the car service department of the Sioux City Traction Company. In 1897 he joined the Suburban Railway Company of Chicago, and was promoted to the rank of master mechanic, and later to that of general superintendent. In 1913 he was appointed to general superintendent of transportation and shops.

JAMES CRANSWICK TORY, M.P.P. for Guysboro, N.S., who has been chosen as a member of the executive council of the province without portfolio, is one of the best known insurance men in Canada as a strong executive force. Twenty years ago he was chosen special representative for the Sun Life Assurance Co. in the West Indies, following which in 1892 he became superintendent, and in 1895 was appointed manager for the State of Michigan. In 1897 he became superintendent of agencies at head office, Montreal; in 1901, general manager western foreign department, and in 1915 general manager of agencies, the position he holds to-day. Mr. Tory was first elected to the Legislature of Nova Scotia in 1911, and re-elected in 1916.

E. R. PEACOCK, a Canadian business man, and a former resident of Toronto, who is prominently identified with a number of Canadian enterprises, especially with those whose operations are in foreign countries, has been nominated for the board of governors of the Bank of England. This high honor is a tribute to his outstanding business ability, and his intimate knowledge of Canadian affairs. Born in Glengarry County, Ontario, fifty years ago, Mr. Peacock spent a portion of his earlier life as a teacher in Upper Canada College, Toronto. Less than twenty years ago he ended his academic career and became associated with the Dominion Securities Corporation. His rise with this firm was rapid, he being appointed Toronto manager in a comparatively short time, and later went to London as the manager of the London office. There he widened his interests in financial circles and became acquainted with the late Dr. F. S. Pearson, organizer of the Brazilian Traction, Light & Power Co.; Barcelona Traction, Light & Power Co.; the Mexican Tramways, these firms being largely financed by Canadian capital. When Dr. Pearson lost his life in the Lusitania disaster he was succeeded in a number of capacities by Mr. Peacock, who of late has given much personal attention to the affairs of the Barcelona Traction Co. He is also vice-president of Brazilian Traction and chairman of the Bondholders' Committee of the Mexican Tramways, Light & Power Co.

J. J. ASHWORTH, the recently appointed general manager of the Canadian General Electric Co., brings to his larger duties many years of training and service. Born in 1868—being now 53 years of age—he has achieved the position of chief executive of this premier Canadian industry at an age that will allow many years of service, and when the maturity of his judgment may be expected to maintain the progress and growth of the company. He received his first business experience with the architectural firm of Aylesworth & Kent, where at an early age he qualified for the profession of architect and was engaged in the erection of several notable buildings. In 1888 he joined the staff of the Edison General Electric Company, remaining with that firm until it was purchased by the Canadian General Electric Co., when he took up his duties with the latter company, devoting his time to the engineering department. He subsequently joined the sales organization and eventually became sales manager for the Canadian Allis-Chalmers. In 1908 he was appointed assistant general manager of the allied companies and was elected a director of the C.G.E. in June, 1919. Mr. Ashworth has devoted 33 years without a break to the electrical industry, having watched and assisted its growth from a simple luxury to a great necessity. He has worked his way from the bottom, through all the various departments and is accordingly qualified, as few other men are, to carry on the widespread undertakings of the company and to take full advantages of the large developments which the future promises in this industry. Mr. Ashworth is a member of many of the best Toronto clubs, he is an enthusiastic skater and is fortunate to possess a cordial personality and courtesy which has become almost a necessity in leaders of modern industry.

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For those who have funds available in April we suggest investment in a selection from the following Bonds:

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Established 1889

INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Only questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

AUTO ROAD CONSTRUCTION

J.S., Hamilton.—Kindly give me your opinion of the Auto Road Construction Company as an investment.

From an analysis of the prospectus, we believe that the stock of this company should be a satisfactory speculative investment. With the Province of Ontario embarking upon a tremendous program of good roads there would seem to be opportunity for such a concern, if well managed, to make good profits. Upon the character of the management largely depends success or failure.

EXCHANGE OF BONDS

Enquirer, Sault Ste. Marie.—Would you be kind enough to give us your opinion on the following: $2,000 Province of New Brunswick 6s due Feb. 15, 1928, at 99 and interest. Brokers would allow 100 and interest for this bond and give in exchange, $2,000 Province of Saskatchewan 6s due Feb. 1, 1936, at 99 and interest. Brokers regard this as an attractive exchange, as you would be securing a bond running for eight years longer at a good rate of interest.

We gather from your letter that your client is offered Province of Saskatchewan bonds in exchange for Province of New Brunswick bonds with a bonus of $5 per $100. We would consider this an advantageous trade, but do not think that an exchange at par for par would be good, despite the longer term of the Saskatchewan bonds. New Brunswick bonds have a peculiar market in the Maritimes that enables them to be sold at a lower yield rate than the bonds of some other provinces, and for that reason they should rank above Saskatchewan bonds. Moreover, this New Brunswick issue is payable in the United States.

MEXICO NORTH WESTERN

Enquirer, Port Hammond.—Would you be good enough to obtain for me some information as to the standing of the Mexico North Western Railway Co. One of our customers holds some of the 5% fifty-year 1st mortgage bonds. No payments of interest appear to have been made since March, 1913. Do you think there is any prospect of realizing anything?

R. Home Smith, receiver of the Mexico North Western Railway Company, is in England at the present time, conferring with the bondholders' committee of this company. Some announcement of interest to bondholders may be looked for upon his return to Canada some time next month. Mr. Smith recently inspected the railway lines and properties in Mexico and stated on his return to Toronto that the revenue was being applied to build up the company's properties and improve the service. Revenue was now increasing and it was only a matter of time when interest on the bonds could be resumed. There is nothing definite on this matter as yet, all depending upon the course which business pursues in the succeeding months.

RSC INVESTMENT-SERVICE

Falling Prices No Calamity

Why a lower margin of profits strengthens, rather than weakens, the fundamental soundness of the Canadian pulp and paper industry is clearly shown in the current edition of *Investment Items*.

Every holder of Canadian industrial securities of any description should read *Investment Items* each month.

Write for a copy to-day.

Royal Securities CORPORATION LIMITED
MONTREAL
Toronto Halifax St. John Winnipeg
Vancouver New York London, Eng.

CANADA FIDELITY

C.I., Toronto.—Would you kindly let us have any information you may have on hand regarding the Canada Fidelity Corporation. A client of ours has been solicited to dispose of Victory bonds to buy stock in this corporation.

It would hardly seem advisable at the present time to dispose of Victory bonds for the purchase of stock of the Canada Fidelity Corporation, Limited. This institution has been under way only a comparatively short time, and is as yet only in the formative stage. It will act as the fiscal agents for industrial companies, newly organized, which are in the market for capital, or for older established companies, which desire to increase their capital. It is proposed to handle only securities of small denominations, so as to reach the small investor, who is barred from the purchase of securities written in denominations of $500 and $1,000.

You will readily understand that the success of a business of this nature depends largely upon the efficiency and integrity of the management. In this case the management is unknown to us by reputation, although it would appear that the several members have had a good deal of experience in financial matters. G. D. E. C. O'Grady, the president, was associated for 27 years with the Canadian Bank of Commerce in various capacities.

The stock of this company appears speculative to a high degree, and unless your client can afford to take a long chance we believe that he would be well advised to look elsewhere for an investment.

G. O. L. MUTUAL

B.J., Edmonton.—Can you tell me what is the standing of the Orange Mutual Insurance? Are they a sound company to insure with?

The Grand Orange Lodge of British America is a fraternal society and has an insurance scheme in common with other similar organizations. We are not aware that there is any special cause for anxiety over a policy carried with this institution. For more specific information would suggest that you write for a report upon fraternal societies prepared by the Department of Insurance, Parliament Buildings, Toronto.

DUCTITE STEEL

J. M., Quebec.—Would you kindly give me your opinion of the Ductite Steel Company.

The Ductite Steel Co., Ltd., has been organized with a capital of $1,500,000, and has succeeded the Universal Steel Tool Co., which has transferred to the new company the processes and rights, together with the furnaces, steel on hand, and other assets appurtenant to the process. The Universal Steel Tool Co. has paid to the Ductite Steel Co. in cash the sum of $60,000 in consideration of the Ductite Co. issuing to the Universal Tool Co. shares to the extent of $1,200,000 of its capital stock fully paid up. At the present time the new company has $300,000 of stock in its treasury and $60,000 in cash. The company, we understand, has not as yet commenced operations. It appears that this company has access to ample funds for the initial stages of production. For the reason that the company has not undertaken production, and has not demonstrated its earning capacity, we are not in a position to advise upon its stock.

OTTAWA R. C. S. BONDS

Outremont.—I would thank you if you would give me your opinion on the City of Ottawa R.C.S. Schools 4½% bonds, due in December, 1921-23.

The city of Ottawa Roman Catholic Separate School bonds should be a very safe investment. They are not, of course, an obligation of the entire city of Ottawa, but they are well secured and we do not think you need anticipate any instability in your security if you purchase them.

SOME ARGUMENTS FOR AN ADVISORY TAX COMMISSION

Continued from page 10.

additional functions which the commission might advisedly assume.

The commission might be invested with powers:

(1) To co-operate with provincial tax commissions as they are established in arriving at some agreement with respect to tax jurisdiction and to aid in the unification of provincial tax systems, subject, of course, to sanction by parliament and the powers conferred in the British North America Act.

(2) To co-operate with such government departments and bureaus as customs, trade and commerce, census and statistics, labor, commercial, intelligence, and so forth in analysis material relevant to taxation.

(3) To draft relevant tax legislation and commercial treaties for revision and ratification.

(4) To secure such information as will facilitate the formulation of a relatively stable tax and tariff policy.

(5) To investigate the administrative, fiscal and industrial effects of the customs tariff.

(6) To supply information relating to the arrangement of schedules and classifications of articles in the tariff, and to investigate the operation of customs laws, including their relation to the federal revenues and their effect upon industry and labor.

(7) To arrange for a classification of industries and the preparation of a tariff catalogue by special investigations and by utilizing relevant reports prepared in foreign countries.

(8) To investigate the relations between the rates of duty on raw materials and finished or partly finished products.

(9) To enquire into the distribution of population as affected by the tariff and generally the economic consequences of the tax system.

(10) To lay down rules of procedure in the administration of tax and tariff laws, to investigate the effects of ad valorem and specific duties, to suggest the advisability of tariff retaliation arising out of foreign trade discrimination, to advise concerning maximum and minimum rates, and so forth.

(11) Possibly to act as a court of appeal for rulings in technical and administrative disputes.

The personnel of such a permanent advisory commission would be most important and might include accountants, industrial experts, chemical analysis, economists and statisticians, lawyers, and such other expert advisers as might be found necessary, in addition to the impartial directors of investigation, say, five or six, who, it would seem advisable, should not be representative of any special classes in the country.

Every group and class to-day is tired of ill-adapted tax experiments not only by the Federal Government, but also in the provincial and municipal jurisdictions, and anxious that finance ministers shall no longer be called upon to tread the primrose path of expediency, but rather that they should be able to make some progress, at least, on the road to the mirage. (It is with that end in view that I have endeavored constructively, though inadequately, I realize, to deal with this vital Canadian problem.)

DON'T BE A LOBSTER.

"Thrift Magazine."

We frequently hear used in a slang way, "He is a regular lobster." Now there may be more truth than slang in the expression, because there are a lot of human lobsters in the world. A lobster when left high and dry among the rocks has not enough energy to work his way back to the sea, but waits for the tide to bring the sea to him. If it does not come he stays right where he is and dies, too lazy to put forth any effort himself. Many men are stranded on the rocks of business. Instead of putting forth their own energies they are waiting for some grand friendly billow of good fortune to set them afloat.

The Provident ASSURANCE COMPANY

Statement, December 31st, 1920

ASSETS		LIABILITY	
Cash on hand and in Banks........$	46,426.32	Claims in course of settlement .....$	68,992.00
Debentures	155,486.32	Due to reinsurers	35,795.98
Loans on security	15,000.00	Commissions accrued	26,658.19
Loans on mortgages	53,400.00	Accounts payable	3,458.04
Real Estate	12,591.94	Reserve on unearned premiums.....	152,258.17
Due by reinsurers	18,851.89	Reserve for depreciation on investments and other assets	12,000.00
Accounts receivable	14,668.12	Surplus to policy holders	1,009,865.86
Bills receivable	2,201.77		
Furniture and Goad's plans	7,009.62		
Stationery and supplies	5,000.00		
Interest accrued	3,446.12		
Premium in Agents' hands	154,284.14		
Capital subject to call	820,662.00		
	$1,309,028.24		$1,309,028.24

HEAD OFFICE
Canada Life Building
Phones: Main 4310-4311-4312-4313

ONTARIO OFFICE
C. P. R. Building - Toronto
Phones: Adelaide 4617-3691

GREAT PROGRESS IN DEVELOPING WATER POWERS

Continued from page 3

Branch is now responsible for all basic investigation respecting water resources, while the Province undertakes detailed investigation and construction. A special bureau of the above branch has been formed to deal with this work, stream measurement and investigatory work have been largely extended and an inventory and analysis of developed and undeveloped power and storage resources is being prepared. Included in this work are the studies of the St. Lawrence and the regulation of the Lake of the Woods for storage purposes.

The Hydro Program

The progress in actual construction includes the installation of two new units of 20,000 h.p. each in the plant owned by the Ontario Power Co. at Niagara; and the completion of a 3,500 H.P. plant at High Falls on the Mississippi near Perth. Development at Queenston on the Niagara was continued and it is expected that power will be available from this plant in September. The initial installation on this plant is of five 60,000 H.P. units, with an ultimate capacity of 540,000 H.P. Development on the Nipigon, to supply the Port Arthur and Fort William districts, with an initial installation of 25,000 H.P. and an ultimate capacity of 75,000 H.P. was continued, and power is now being supplied from the first unit. Construction was begun on a 10,000 H.P. plant at Ranney's Falls near Campbellford to supply the Central Ontario system. The total capacity of plants now owned by the Hydro-Electric Power Commission is given as over 1,000,000 H.P.

Private Development

Private developments included the completion of a dam for a 15,000 H.P. plant on Spanish river at Algoma for the International Nickel Company; while among the other plants under construction were an 11,600 H.P. plant for a pulp mill of the Spruce Falls Company on the Kapuskasing; the 24,000 H.P. plant of the Abitibi Power and Paper Company at Twin Falls, which is expected to be completed next April; an extension of 9,000 H.P. by the Great Lakes Power Co. at Sault Ste. Marie; a plant of 4,500 h.p. by Canadian Cottons, Ltd., on the Cornwall Canal; and plants on the Sturgeon and Vermilion rivers by the Spanish River Pulp and Paper Company. In all there was about 500,000 H.P. under construction in Ontario in 1920.

In the west, outside of the Province of Manitoba, there was little actual work done in 1920. Early in the year contracts were let for extensions to the power house of the city plant at Point du Bois on the Winnipeg river and for three additional units of 6,900 H.P. each at a cost of $300,000. The Winnipeg Electric Railway commenced construction on a site at Lac du Bonnet for an initial development of 56,000 H.P. and an ultimate capacity of 168,000 H.P. Recent improvements to the Winnipeg river have increased the capacity of its existing plant from 28,200 to 37,600 H.P. The power available from the Winnipeg River exceeds 400,000 minimum 24-hour continuous power from nine sites within 80 miles of the city. The combined efforts of the city and the Winnipeg Railway to supply power at low rates have made Winnipeg the fourth manufacturing city in Canada, and it is stated that the consumption of electrical energy per head per year (823 K.W.H.) is surpassed by few cities in the world.

In Western Canada

The Manitoba Power Commission was formed in 1919 to purchase or generate power for the supply of any community where it was economically feasible. Its first move was to supply Portage-la-Prairie, 56 miles from Winnipeg, the power being purchased from the city plant. Power was turned on this line in August, 1920. During the year construction of transmission lines was begun to surrounding municipalities involving a transmission network of 175 miles, and investigations begun for the further extension of the scheme.

There were no power developments in the Provinces of Saskatchewan and Alberta in 1920, but a start was made on the project to divert and elevate water from the South Saskatchewan River for the supply of Moose Jaw, Regina, and other places throughout the south. Investigation of this project began in 1913, when it was estimated it would cost about $20,000,000. In 1919 it was again taken up, the Provincial Government, and the three transcontinental railways cooperating in furthering the development; but in view of existing financial conditions it is unlikely that it will be undertaken at present.

A survey of the water power resources of British Columbia, estimated at 3,000,000 H.P., was begun in 1920. Some small private units were begun, and plans are well advanced for the development of about 410,000 H.P. The B. C. Electric Railway Company acquired the Western Power Company and its 39,000 H.P. plant at Stave Falls—a move which is said to have brought the total investment of this company in British Columbia to $65,000,000.

Summarizing the conditions throughout Canada we find that the total development work completed or under construction in 1920 represented about 650,000 H.P. of installed capacity. The total developed hydro-electric power in the Dominion now stands at 2,460,000 H.P., or about 274 H.P. per head of population, a figure far ahead of the United States or of any other country in the world except Norway.—T.M.F.

IT WAS TO BE EXPECTED.

"Harvey's Weekly."

Twenty-seven banks, national and state, have recently been closed in the state of North Dakota. Occurring in some other states, this would have attracted nation-wide attention and have caused something like a panic. In North Dakota it is passed by lightly, as the not unexpected result of the tantrums of the Non-partisan League; of which it is, indeed, a fine exposition. We are told that the fiscal operations of the Non-partisan League state government included the running of a state bank, which received state and other public moneys for deposit and paid 2 per cent. interest on them and then loaned them out to other banks and got 4 per cent. interest. The disposition of the other 2 per cent. is a matter of interesting speculation.

Violence on part of workers on strike since last month leads receiver of Missouri and North Arkansas Railroad, 365-mile line between Helena, Ark., and Joplin, Mo., to order entire suspension of service "until protection to road's property is provided."

Government Bonds Paying 6% to 6.40%

Dominion Government, Provincial Government and Municipal Bonds are desirable purchases today. The Government Bonds yield as high as 6.40%—the Municipals as high as 7%.

Hence we suggest the purchase of them by those who have money unemployed or earning lower interest rates.

Write and tell us how much you wish to invest and we will make you a recommendation.

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Messrs. Harris, Forbes & Company
Incorporated
Announce the removal of their Toronto office to larger quarters
IN THE
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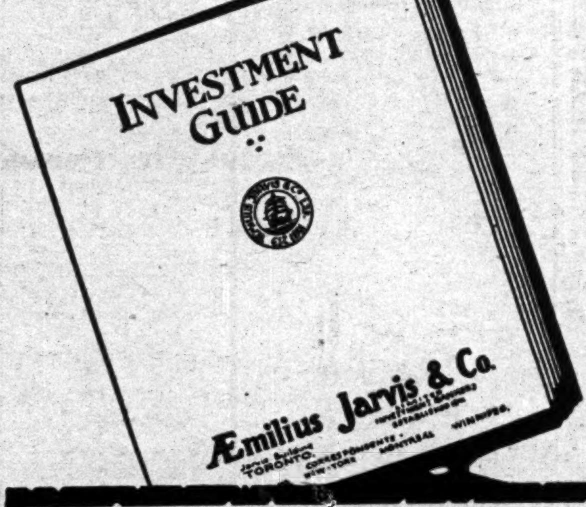

Our April "Investment Guide" Is Now Ready

THE April issue of our "Investment Guide" is now ready for mailing and contains much information of value to investors.
Present conditions call for unusual care in the selection of investments, so that your funds will return you the greatest income with safety. Our "Guide" will assist along these lines.
A copy will be mailed each month for the asking. Send for it now.

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NEWS OF THE BOND MARKET

POWER TO POOL BOND ISSUES OF 16 MUNICIPALITIES

Metropolitan Commission With Wide Powers Over Island of Montreal

LIFE BUOYS TO WEAK

Emergency Measure, Using Assets of all to Prevent Default in Several Debenture Issues

From Our Own Correspondent.

MONTREAL.—Bondholders of several municipalities in the vicinity of Montreal are breathing more easily as the result of legislation that has been passed finally at Quebec incorporating the "Metropolitan Commission of the Island of Montreal." Hereafter none of the sixteen municipalities grouped under the Commission—including the city of Montreal itself—can ever be in default in interest on its debentures; the Commission will hold itself responsible.

State Paternalism

As a form of state paternalism this legislation goes pretty far. It arose out of three or four rather extreme cases of outlying municipalities plunging into expenditures on improvements and being caught by the war with little increase in population or development that would swell the assessment and the ensuing revenue.

St. Michel, for instance, one year ago had to make an issue of $400,000 to pay interest on outstanding bonds as well as to meet some that were maturing. Pointe aux Trembles is in default on two half-yearly payments, and so on.

Falling Into Default

The whole problem before the Government at Quebec seemed to be of allowing several municipalities to fall into default and thus injure others as well as themselves in the municipal bond market of Canada, the States and England, or penalize, to some extent, the stronger municipalities by pooling the sound and unsound groups and constituting a central body whose financial credit, it is assumed, will be infinitely superior to that of the weaker sisters in the combination, and at least as strong as the strongest was individually.

Compelled to Save Situation

Hence the Metropolitan Commission, whose duties include a compulsory issue on the strength of the guarantee of all combined, in case payments are in default or court action threatened.

Must Get Permission

It is provided that no municipality may make a bond issue without the permission of the Commission. Or the latter may make the issue, which will be guaranteed by all the assets of all the municipalities, a sort of blanket guarantee, levelling all differences in relative values of the bonds. The Commission loans cannot extend beyond forty years, nor bear interest of more than 6 per cent. Short term notes ("billets") may be issued for temporary purposes, extending not more than twelve months. Where the Commission has been compelled to interfere to rescue a municipality's credit, it is given power to supervise the drawing up of the budget and other financial operations as well. Indeed along the line of reorganizing the financial conditions of weak municipalities the Commission is given wide powers. Public advertising and the calling for tenders for bonds is made compulsory on the Commission.

Below is given a list of the municipalities concerned, with the assessed valuation and debenture issues in each case.

	Taxable Prop.	Debt.
Montreal	$851,289,316	$121,445,527
Outremont	23,157,904	3,061,279
Westmount	54,388,080	3,553,360
Verdun	18,445,180	3,555,410
Mount Royal	10,040,000	1,377,649
Hampstead	2,785,000	310,845
Montreal, West	3,770,808	618,967
Ville St.-Pierre	6,597,886	560,762
Ville LaSalle	2,415,042	264,340
Lachine	17,385,520	2,525,352
St. Laurent	4,869,234	847,425
Montreal, North	4,962,915	1,423,954
St. Michel de Laval	6,047,523	1,888,880
Montreal, East	15,472,510	1,966,045
Pointe aux Trembles	7,714,067	2,422,907
Laval de Montreal	2,306,210	266,533
Totals	$1,031,647,195	$146,090,435

MATURE IN 2882! ! !

When the FINANCIAL POST a few months ago referred to the First Gold 4% bonds of the Commercial Cable Company due in 2397, there were those who thought the date was a typographical error. But the date was correct. The bonds—$20,000,000 of them—were issued in 1897, and are secured by a first mortgage on 17,526 miles of trans-Atlantic cable in addition to other properties of the company. They have 500 years to run, but as they are exchangeable into sterling debenture stock, over half of the bonds have been taken up and it is possible that before 2397 that all of the issue may be refunded in this manner.

The Toronto, Grey & Bruce Railway, one of the subsidiaries of the Canadian Pacific Railway, has outstanding bonds that do not mature until 2882, and as there is no provision for their exchange into capital stock it is possible that they will remain outstanding until that period. They were issued in 1883, to run for 999 years, and the railroad is leased to the Ontario and Quebec Railway for the same term of years.

But what will be the security behind these bonds if trans-oceanic cables and railways are relegated to the Halls of Memory where the shades of papyrus and chariots—former means of communication and transportation—are at rest? The investor who looks ahead 400 or 500 years has cause to wonder.

ESTEVAN PAYS UP; NOT NOW IN DEFAULT

Town Denied Being in Arrears But Coupons Were Not Paid

Estevan, Sask., has agreed to pay debenture coupons in arrears if presented again, and this action clears up a temporary default that has been chalked up against this city for a few weeks.

Its inclusion by THE FINANCIAL POST in the list of Saskatchewan towns that had in some degree defaulted in their obligations brought strenuous protests from the town. Mayor E. W. Garner in an interview denied that Estevan had defaulted and in a letter to THE FINANCIAL POST A. B. Stuart, the town clerk, denied that the town was in arrears in any degree. Despite these denials, the coupons had not been paid up to March 26, according to a Toronto financial institution which presented its coupons on that date for payment.

On February 28 the town clerk had written to the same institution:

"I regret that when these debentures were presented we were unable to pay them, and from the present state of our finances I cannot say just when they will be paid.

"We were very disappointed in our tax collections last year, and this winter we brought very hard pressure to bear in order to force in arrears, but it was not productive of very good results, as money was simply unobtainable in very many cases. If we cannot pay these debentures out of collections we make between this and the 1st of April, I cannot see when they will be paid before the new taxes come in. You might, however, present them again, say, on the 15th of March, with your interest charges added, and I will do the best I can to meet them, but at the present time I cannot promise positive payment."

At December 31 last the town's balance sheet showed a bonded indebtedness of $468,089, and total assets of $485,397 on capital account. On current account, assets total $165,857, including tax sale certificates to the amount of $103,897 and liabilities total some $60,000 less, including $30,000 due to the bank. Public utilities were losing money.

NOVA SCOTIA BONDS GO TO THE STATES

Long List of Bids Received on Four Alternative Plans Asked

Nova Scotia's bonds will not be sold on the Canadian market. The tender of Wood, Gundy & Co., the National City Co., and E. H. Rollins & Co., of New York, on $1,500,000 of five year 6 per cent. bonds, payable in New York, at 102.987 was accepted.

Bids received were:

American Payment	5 yrs.	10 yrs.
National City Co., Rollins & Co., and Wood, Gundy & Co.	102.987	100.644
Harris, Forbes Inc.	......	100
Brent, Noxon & Co. and G. A. Stimson & Co.	102.761	100.511
Dominion Securities Corp.	102.48	100.316
J. C. McIntosh & Co., A. E. Stuart & Co., Payne, Webster & Co., A. E. Ames & Co., J. E. Robinson & Co.		
for $1,000,000	101.642	100.014
for $1,500,000	101.392	99.764
R. A. Daly & Co., and W. A. Mackenzie & Co.	......	100.75
Miller & Co. and Brandon, Gordon & Waddell	......	100.610
Canadian Payments.	**15 yrs.**	**20 yrs.**
National City Co., Hanson Bros., and Harris, Forbes, Inc.	98.261	98.631
C. H. Burgess & Co., Canadian Debentures Corp., Mackenzie & Kingman, McLeod, Young, Weir & Ward, and H. M. Bradford	98.013	98.291
Wood, Gundy & Co., and Eastern Securities Corp.	97.45	97.88
Brent, Noxon & Co., and G. A. Stimson & Co.	97.262	97.08
R. A. Daly & Co., and W. A. Mackenzie & Co.	97.17	97.17
J. C. Mcntosh & Co., A. E. Ames & Co., R. C. Matthews & Co., United Financial Corp., J. M. Robinson & Sons		
for $1,000,000	97.063	97.063
for $1,500,000	96,843	96.843
Dominion Securities Corp.	96.79	96.79
A. Jarvis & Co.	......	95.76

COULDN'T HAPPEN HERE

Too Many Interim Receipts Issued by Morris Bros.

The immediate cause of the failure of the firm of Morris Bros., Inc., in Portland, Ore., last December was the inability of the firm to raise funds to pay for $1,539,600 of city of Edmonton bonds, contracted for delivery on January 1, and for which interim receipts of the firm had been issued.

This explanation is given in the final report of the receiver for the defaulted firm. It is doubtful if any Canadian bond house could go to the wall under the same circumstances, for it is considered against the best ethics of bond dealing for a firm to issue its own interim receipts in any large amount against an issue of bonds held by a bank. Interim certificates of a municipality or province are often issued, but the interim receipt of a bond house has no backing beyond the credit of the house itself.

NOVA SCOTIA MARKET

The city of Halifax will have large borrowings this year to meet street paving contracts and other improvements which in the past three years have called for a substantial increase in the civic debt, but which citizens generally are pleased to see when accompanied by improvements which for a long period were neglected. St. John, N.B., is also going in this year for an elaborate street paving policy which will require the expenditure of a large sum.

BOND MOVEMENTS OF THE WEEK

Bonds—	Int. Rate.	Due Year.	Yield	Range 1921 High	Range 1921 Low	Latest Price week end. Mar. 29. Ask	Bid	High	Low	Sales
Bell Telephone	5	1925	6.67	93	91¼	..	93	93	..	$ 500
Can. Bread	6	1941	7.63	86	83	84	..	83	..	1,000
Can. Steamships	5	1943	8.17	71	65	..	..	67⅝	65	1,500
Can. Cement	6	1929	7.07	94	91½	93½	93	93	..	1,000
Dom. Cotton	6	1922	7.91	96⅝	96	96⅝	96½	96½	..	4,000
Dom. Iron	5	1929	8.02	82	75	81	..	81	..	10,000
Dom. Textile "B"	6	1925	7.97	92	..	..	92	92	..	1,000
Montreal, Dec. '22.	6	1922	3.43	108½	96½	..	105	104⅝	..	100
Nat. Breweries	6	1939	6.78	92⅞	91¾	..	..	91¾	..	2,000
Quebec Rly.	5	1939	8.71	68	59	..	62	64¼	64	5,200
Sher.-Williams	6	1941	6.22	97½	91½	..	..	97½	..	1,000
Steel of Can.	6	1940	6.53	95	92½	93½	93	94	93½	2,400
Wayagamack	6	1951	8.12	78¼	75	..	76	76	..	500
War Loan (1925).	5	1925	6.21	95¾	92	95	94¾	95⅛	94½	22,100
Do., (1931)	5	1931	5.81	95¼	90¾	93½	93	93¼	92¾	14,500
Do., (1937)	5	1937	5.22	98½	94½	97¾	97½	97¾	97¼	38,800
Victory (1922)	5½	1922	6.31	99¼	96⅝	98½	88⅝	98½	97⅞	140,050
Do., (1923)	5½	1923	6.38	99	95½	97¾	97⅝	97⅝	96⅞	137,850
Do., (1924)	5½	1924	6.47	98½	94¼	96¾	96⅝	96⅝	96	144,650
Do., 1927)	5½	1927	5.94	99⅛	95¼	97¾	97½	97⅝	97	91,350
Do., (1933)	5½	1933	5.74	99	95⅛	98	97⅞	98½	97¾	187,700
Do., (1934)	5½	1934	6.06	96⅛	92¼	94¾	94⅝	95	94⅝	209,650
Do., (1937)	5½	1937	5.54	100½	96½	99½	99⅝	99¾	98¾	99,450

YORK TP. PAYS 6.30 RATE FOR ITS FUNDS

Only one important municipal issue was sold during the past week. The township of York sold $200,000 of 6 per cent. twenty-instalment bonds, issued for Hydro-Electric purposes, to the Dominion Securities Corporation at 97.379. This was on a basis of 6.30 per cent.

The tenders received for the issue were as follows:

Dom. Securities Corp.	97.27
United Financial Corp.	97.061
Wood, Gundy & Co.	96.87
R. C. Matthews & Co.	96.66
Dyment, Anderson & Co.	96.61
National City Co. and Harris, Forbes & Co.	96.57
C. R. Clapp & Co.	96.525
A. E. Ames & Co.	96.19

Town of Aurora
TENDERS FOR DEBENTURES
TENDERS will be received up to 8 p.m. Monday, April 11, for the purchase of an issue of $27,060.00 local improvement debentures, for the construction of good roads and sewers. Debentures bear interest at 5½%, payable half-yearly, and are repayable in 20 equal annual instalments.
C. A. PETCH,
Town Clerk,
Aurora, Ontario.

Good Roads Debentures
THE Council of the Municipality of Rockwood will receive bids up till noon on Thursday, the 28th day of April, 1921, for $70,000 worth of 6%, interest coupon, Good Roads Debentures issued by the Rural Municipality of Rockwood, dated May 1st, 1921. Interest payable annually on May 1st each year. Debentures issued in sets running from one to thirty years and guaranteed both as to principal and interest by the Province of Manitoba. Bidders to state offer in Canadian currency, payable at par at the Royal Bank of Canada, Stonewall. The Council reserves the right to reject any or all bids. For further particulars apply to the undersigned.
Dated at Stonewall in Manitoba this 24th day of March, A.D. 1921.
V. W. McFARLANE,
Secretary-Treasurer,
Stonewall, Man.

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Price: 99 and Interest
To yield 6.10%
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Government and Municipal Bonds
Dominion Bank Bldg.
TORONTO
Canada

A VICTORY LOAN CALENDAR
We have prepared a table that shows at a glance the value of any Victory bond, figured at par and accrued interest on any delivery date in the current month.
If you buy or sell Victories this table will enable you to check your quotations.
It is one of the features of our monthly Victory Loan circular. Send for this month's copy.
W. L. McKINNON & Co.
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Send for offerings and all information.
JOHN STARK & CO
ROYAL BANK BUILDING TORONTO

Town of Nokomis
Town Debentures for Sale: $20,000, fifteen equal annual payments, interest eight per cent. Can be divided into $5,000 lots, offers, C. L. Campbell, Town Clerk, Nokomis, Sask.

RENE-T. LECLERC
INVESTMENT BANKER
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QUEBEC 76 St. Peter Street.
(Established 1901)

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Beausoleil, Limited
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FOUNDED HB 1883
Howard Smith Paper Mills, Limited
7% First Refunding Mortgage Bonds, Due 1941
This issue combines in an unusual degree sound security coupled with an attractive interest yield. We shall be glad to send you full particulars.
Principal and interest payable in Canada and in New York.
Price 91 and Interest yielding 7. 90%
HANSON BROS.
Investment Securities
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$25,000
CITY OF TORONTO
6% Bonds
Due 1947 to 1951.
Principal and semi-annual interest payable Toronto and Montreal.
Denominations $1,000
Price to yield 5.90%.
EASTERN SECURITIES COMPANY, LIMITED
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May we send you a copy of our latest select list of Industrial Preferred Stocks?
We consider these stocks comprise the most attractive selection of Preferred Industrials on the Canadian Market today. Each of the issues named is listed on the Toronto Stock Exchange. Not one was included until observation and investigation had proved the sound character of its Security, the attractiveness of its Yield and its ready Marketability.
Present prices are decidedly interesting. 27
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CIVIC AND PROVINCIAL FINANCE

MONTREAL WAGES LIVELY CAMPAIGN OVER NEW CHARTER

Referendum in May For Old Aldermanic Plan or General Manager

35 OR 15 MEMBERS

Mayor Opposing Charter Commission's Suggestions—Four Years or Two—No M.P.'s Allowed

From Our Own Correspondent.

MONTREAL. — The citizens of Montreal will soon be in the throes of a controversy over the type of government that will be established for them this fall. On May 16 next alternative plans of city government will be submitted to them in the form of a referendum along the following lines:

1. Are you in favor of the government of the city by council of fifteen councillors elected in three electoral districts, five for each electoral district, for four years, under the system of proportional representation, the mayor being elected by the council and a manager having charge of the administration under the control of the absolute majority of the council?

2. Are you in favor of the government of the city by a council of thirty-five aldermen elected for thirty-five wards, for two years, and a mayor elected by the people for the same term, with an executive committee of five aldermen and director of departments appointed by the council?

The main difference between the two plans, the first of which was drawn up by the Charter Commission, and the second generally regarded as that of Mayor Martin, is that the first is more in the nature of a commission government, whereas the latter reverts to the old aldermanic form of government. The mayor's opposition to the Charter Commission plans has been reflected continuously during the past two years in opposition to the present Civic Commission under E. R. Decary. He has attacked this and attacked the plan of the Charter Commission on the ground that it removes from the people in the main the right of self-government. It is quite true that a good deal of control in civic government during the past couple of years has been taken away from the mayor and aldermen and vested in the hands of the Civic Commission, and the mayor and some of the aldermen have chafed under this system.

The reply of those who are opposing Mayor Martin is that he has attempted to resurrect the form of civic government that made possible the reckless expenditures and other evils that culminated in the report of Judge Cannon some ten years ago. It was to get rid of this that Montreal tried out a board of control but this for various reasons did not work out very successfully either, and a temporary Civic Commission has been in charge since 1919. A definite plan of campaign has already been begun by the mayor, and those in favor of the Charter Commission plan will start shortly to hold public meetings and endeavor to secure support for this form of government.

Salaries Set Down

The Charter plan would place the mayor's salary at $8,000 a year with the councillors' salaries at $3,000 each, a total of $50,000 a year. The other plan would give the aldermen $1,500 each and the mayor $10,000 a year, a total of $57,500. Both plans agree in the division of six departments, namely, finance, law, city clerk's, health, public works, public safety.

One clause that has been long needed declares that no member of the Senate, Commons, Legislature or permanent Federal Commission will be eligible to be councillor or alderman as the case may be. This is aimed directly at two members of the present House of Commons, A. Verville and Hon. Charles Marcil, both of whom are also members of the present Civic Commission.

MEAFORD SUCCESSFUL

In ten days the town of Meaford, Ont., has succeeded in disposing of $35,000 of its bonds locally. The bonds were issued for road purposes and were offered to the public at a 6½ per cent. yield.

Men In Municipal Finance in Canada

WILLIAM LAWRENCE,
Stratford's City Treasurer.

Fifty years ago a Lawrence was signing the bonds, collecting the taxes and running the finances of Stratford, Ont. To-day the city treasurer is still a Lawrence.

William Lawrence, the financial head of the city of Falstaff and Romeo wards and of Nero and Othello streets, is a son of the man who was appointed treasurer of the little community that stood on the banks of the Canadian Avon in 1866. He was taught municipal finance under his father and has himself been city treasurer of Stratford for a quarter of a century.

William Lawrence is one of the "old school." He is a conservative, careful treasurer. But that does not mean he is not progressive. He did not inaugurate the plan of selling bonds locally to citizens. But he was one of the first to adopt the plan and for years back he has been quietly disposing of small and large blocks of the city's bonds to the people of the town. He doesn't go after sales aggressively; he knows his bonds and feels they are so good people will come after them, but he is nevertheless a good salesman. In salesmanship it's results that count and when he sold $50,000 worth of bonds in 25 days to a great many different persons — and without going outside his office—he showed that he was a good salesman.

Money By-Laws

TENDERS WANTED

Nokomis, Sask.—$20,000, 8 per cent., 15 instal. debentures. G. L. Campbell, Town Clerk, Nokomis. (See announcement elsewhere in this issue).

Apr. 15, Kamsack, Sask.—$13,400 7 per cent., 15-year electric light debentures. L. W. Andrew, Treasurer, Kamsack.

Apr. 4, Belle Plaine, Sask.—$15,000, 20-instal. debentures. L. P. Wisbey, Sec.-Treasurer, Belle Plaine.

Apr. 11, Aurora.—$27,060, 5½ per cent., 20-instal. debentures for the construction of good roads and sewers. C. A. Petch, Town Clerk, Aurora. (See announcement elsewhere in this issue).

Apr. 28, Rockwood.—$70,000, 6 per cent. good roads debentures, issued in sets running from 1 to 30 years. V. W. McFarlane, Sec.-Treasurer, Stonewall, Man. (See announcement elsewhere in this issue).

BY-LAWS TO BE VOTED ON

Apr. 5, Winnipeg.—$2,000,000 for new schools.

Apr. 4, Stouffville, Ont.—$12,000 for the erection of a municipal rink.

DEBENTURE NOTES

Brandon.—Approval to give the city of Brandon power to sell 7 per cent. debentures to the extent of $100,000 for the establishment, maintenance and equipment of public playgrounds was recently given by the law amendments committee of the legislature. The city was also granted permission to cancel 5 per cent. debentures to the extent of $19,000 and substitute 6 per cent. debentures maturing July 1, 1943, for the same amount. This sum represented part of a $200,000 issue at 5 per cent. made in 1913 for the waterworks. The committee accorded similar permission in connection with the balance of $72,000 of an issue for $280,000 5 per cent. debentures for the general hospital. These will be issued at 6 per cent.

Fort Garry.—The municipality is disposing of bonds to the extent of $50,000, which will be used for the erection of the first unit of a new school and for general improvements.

SASKATCHEWAN

The following is a list of authorizations granted by the local Government Board from March 12th to March 19th, 1921:

Schools. — Progress, $600; Altona, $$1,200; Allendale, $6.700; ndian Head, $50,000; Langenburg, $27,000; Crane Valley, $4,500; Eagle Bank, $1,500; Merrywod, $3,300; Petroffsk, $1,200; Prairie Valley, $5,500; Marquis, $16,000; Free Soil, $15,000; Kimball, $1,000; Foam Lake, $19,000.

Villages.—Verwood, $1000.

The following is a list of debentures reported sold from March 12th to March 19th, 1921:

Schools.—Glenhurst, 1,354, $2,000, 10 years, 8 per cent.; Hoosier, 1,145, $2,400, 10 years, 8 per cent.; Haywood, 845, $1,500, 10 years, 8 per cent.; Harmonia, 451, $2,500, 15 years, 8 per cent., C. C. Cross & Co., Regina. Regina, 4, $25,000, 30 years, 6½ per cent., Canada Trust Co., Regina. Church Hill, $4,271, $1,200, 10 years, 8 per cent., Waterman-Waterbury Co., Regina. UPeebles, 4,382, $650, 10 years, 7½ per cent., C. J. Rosborough. Grenfell.

Rural Telephones.—Rainton, $1,000, 15 years, 8 per cent., C. C. Cross & Co., Regina. Gowanbrae, $1,100, 14 years, 8 per cent., Mrs. Jennie Blue, Kinistino. East Milden, $7,500, 15 years, 8 per cent., Harris, Read & Co., Regina.

City.—Weyburn, $1,200, 30 years, 6¼ per cent., Weyburn Sinking Fund.

Town—Gravelbourg, $61,500, 30 years, 7 per cent., C. M. McMannas, Moose Jaw.

MUNICIPAL NOTES

Equalize Swift Current Assessment.

Swift Current City Council has decided to employ the services of expert the city. The new assessments will be the basis of the 1921 tax rate.

Urges Cut in Expenditures.

Finance Commissioner Ross of Toronto in a letter to the Board of Control, says:

"Proposals involving capital expenditure total the almost appalling sum of $40,400,000, and in addition the city will this year have to guarantee bonds of the harbor commission for $4,000,000, and market them.

"It is very unfortunate, to say the least, that in this particular year, when we are pledged to such a large program, we should be burdened with the financing of approximately $9,000,000 worth of local improvements which were initiated last year. I therefore beg to urge that local improvement works for 1921 be cut down to the lowest possible figure and, furthermore, that no works involving capital expenditure be finally sanctioned by your board without reference to the commissioner of finance."

Turn Down Amusement Tax

Saskatoon city council has failed to pass the tax on tickets to amusement places that had been advocated.

Incorporate Two New Towns

When Riverside and Tecumseh are incorporated as towns by act of the Ontario Legislature, the Township of Sandwich East will sever its relations with the Essex Utilities Commission.

The two baby municipalities, which at present are part of the township, willl take over the township's financial obligations incurred while within jurisdiction of the commission.

MEASURE TO HELP B.C. MUNICIPALITIES

Will Still Get Half Liquor Profits and Extra $5.00 Tax

The provincial Government intends to revise the whole taxation system of British Columbia and to make the proposed changes effective at the next session of the legislature, Premier John Oliver informed a delegation representing the Union of British Columbia Municipalities.

The Government will continue its plan to allow the municipalities half of all liquor profits, but realizes that this revenue alone is not sufficient to cover the needs of the municipalities. An investigation into the present financial system as it affects the province and the municipalities will be made. This investigation will cover the existing relationship between municipal councils and schools.

A $5 tax on all adults, levied half-yearly by municipalities, was suggested by the Government, to aid the municipalities in the present financial crisis.

SURPLUS EXPECTED ON LIQUOR TRADING

B.C.'s Budget Forecasts New Revenue From Government Control

From Our Own Correspondent

VICTORIA. — British Columbia's financial security is demonstrated by the statements and figures given by Hon. John Hart, Minister of Finance, in his budget speech before the legislature. The accounts of last year have already been discussed in THE FINANCIAL POST. The estimated revenue for the ensuing year is expected to amount to more than $17,000,000, an increase over the current fiscal year of $3,032,350. The increase is expected to come principally from the Attorney-General's department, which will collect the liquor control revenue. The department is expected to yield a revenue of $4,239,000.

The budget speech covered a great deal of ground. Mr. Hart made it clear, however, that in spite of increased revenue if demands on the treasury advanced very much taxes would have to be increased. This, he said, was principally due to the Pacific Great Eastern Railway deficit and the cost of operating the line, which is owned by the provincial Government. Mr. Hart announced no new taxes. He said:

'We look for a revenue of $17,010,595.13, an increase over the current fiscal year of $3,032,350," said Mr. Hart, "showing an estimated surplus of $30,386.20 over the estimated outlay on current account. The total estimated expenditure for the year is placed at $16,980,208.93 on current account and $2,868,765.36 capital expenditure out of income, a total of $19,848,974.29, an increase over the current year of $2,435,140."

BONDHOLDERS' COMMITTEE

Swift Current Bondholders Will Act to Protect Interests

Bondholders of Swift Current will act to protect their interests. The city is in poor condition financially, but it is anticipated that with cooperation between the province, the city and the bondholders, no permanent default need occur.

At a meeting of the bondholders in Toronto this week a committee was appointed with power to employ a solicitor to look after the interests of the holders of bonds. The city's indebtedness amounts to $1,472,103.

The city of Quebec has decided to call for tenders for a bond issue for $810,000, bearing 6 per cent. interest, and maturing in ten years. Of this sum $450,000 is required to renew a former issue which falls due in New York on April 1, while the balance of $360,000 will be expended on permanent work.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date	Place	Sold to	Rate	Term	Amount	Price	Basis
March 30	Meaford	Locally	....	.....	$35,000	.....	6.50
March 30	York Township	Dominion Securities Corp.	6%	20-ins.	200,000	97.27	6.30
		PROVINCIAL					
March 31	Nova Scotia	Wood, Gundy & Co., National City Co., and E. H. Rollins & Co.	6%	5-yr.	1,500,000 (New York payments.)	102.987	....

The Bond Situation
For those who believe in the future of this country and our basic industries, there can be no question but that real opportunities exist to purchase long term bonds on extremely attractive terms. While it is impossible to foresee bond prices, nevertheless we believe that investors who buy now will later regard such purchases with especial satisfaction.
A copy of our "Bond Analysis" will be mailed upon request.
HOUSSER WOOD AND COMPANY
INVESTMENT BANKERS
10-12 King St. East, Toronto

Increase the Return on Your Investments
Send for our circular describing Howard Smith Paper Mills bonds, which are being offered at a very attractive price.
R. A. DALY & CO.
BANK OF TORONTO BUILDING
TORONTO

Now Is The Time
There are many opportunities afforded by present security values of re-investing funds, derived from maturing bonds, at substantially higher yields, together with equal or better security. Likewise bonds of later maturity may often be profitably exchanged.
We offer our services.
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BONDS.
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1871 - 1921
FIFTY YEARS OF SERVICE
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Head Office: Montreal

UNION FIRE AND CASUALTY
Canada's *Zenith* Company
Authorized Capital - $500,000.00
WINNIPEG, MANITOBA
Underwriting
FIRE AND MARINE
Automobile - Plate Glass - Live Stock
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Automobile Insurance
Lowest Rates
Non-tariff
BEST SERVICE QUICKEST ADJUSTMENTS
Agencies in Provinces of Ontario, Quebec, Maritime and Newfoundland Wanted.
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Benefits Paid 66 Million Dollars
R. MATHISON, Secretary
W. H. HUNTER, President
HEAD OFFICE - TORONTO

THE
CANADA NATIONAL FIRE
INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, MAN.
A Canadian Company Investing Its Funds in Canada
APPLICATION FOR AGENCIES INVITED
TORONTO: 20 KING ST. W. W. H. George, Superintendent of Agencies

THE MUTUAL OF CANADA DAY BY DAY
During the year 1920 the average payments in benefits of different kinds to beneficiaries and policyholders amounted to $11,500 FOR EVERY WORKING DAY throughout the year, a total of $3,492,830. Every year the payments have increased, the total made since the establishment of the company being over thirty-three millions. The funds in hand to guarantee future payments amount to forty-two millions—so that the company has either paid or holds in trust more than $75,000,000. This total exceeds the premium income by eight millions. These figures show that the Mutual Life of Canada is making good on all contracts entered into in past years. It is not only "making good," it is "making better" for the profits alone actually paid during the years since establishment amount to eight millions of dollars, a record of economy and service of which any life office might justly be proud.
THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA, WATERLOO, ONTARIO
HUME CRONIN, M.P., President - - - CHARLES RUBY, General Manager

The Western Empire
Life Assurance Company
Head Office: 701 Somerset Bldg.
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Men of proven ability would do well to write for particulars of the Agency Contract the Company is prepared to offer. Several District Managers required to cover exclusive good territory at a number of Western points.
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5½% Interest Return
INVEST YOUR SAVINGS
In a 5½ DEBENTURE of
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Paid-up Capital $2,412,578.81
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Assets 7,086,695.54
HEAD OFFICE, WINNIPEG
Branches: Toronto Regina Calgary Edmonton
Vancouver Victoria Edinburgh, Scotland

INSURANCE AND REAL ESTATE

EASIER MONEY IS PREDICTED FOR MORTGAGE LOANS

Loan Companies Are Heavy Investors in Government Securities

LOWER INTEREST RATE

Plenty of Money Available for Building Purposes if Conditions Are Readjusted—Property Values Inflated

Undoubtedly the factors which have been largely responsible for the depression that has prevailed in the building trades throughout the past few months are the high cost of materials and the high scale of wages demanded by labor. Other causes, particularly the unwillingness of loan companies to advance more than a comparatively small percentage of the estimated cost of construction, which is commonly regarded as the chief cause of the small volume of building undertaken in the new year are in reality the outcome of the high costs and will be cleared up when costs are back to normal.

With labor contributing largely to the cost of all materials that enter into construction, a sharp cut in wages must of necessity precede a permanent reduction of building costs. While the movement is now generally downward the descent has as yet not been upon a scale sufficiently extensive to induce the builder to proceed with his contemplated construction, which has been held up indefinitely to await an adjustment of costs on a more favorable basis.

The loan companies, regarding present property prices as unduly inflated, have followed the practice of lending approximately 40 per cent. of the value of the property, based upon the estimates of the various companies' valuators of the probable value at the end of five years. The companies take precaution to leave an ample margin of safety if real estate should suffer a drastic reaction. The small margin of loans has therefore had the effect of restraining the speculative builder, or the builder who was forced to rely almost entirely upon outside capital to finance his operations, while the builder of means who could afford to advance a fair margin of the cost of construction has been discouraged by the conditions prevailing, fearing that with property prices duly inflated building could not be undertaken with fair assurance of profit.

No Lack of Funds

It was not for lack of capital that the loan companies have been cutting down on advances. The high rate of interest demanded, 7½ per cent. on high class security, has been another discouraging feature. Returns to the government by the loan companies operating in the province indicate that some 42 companies have investments in government and municipal bonds, debentures and other securities to an approximate total of $38,000,000, in addition to cash on hand of approximately $12,000,000. These companies have been forced to adopt this less remunerative form of investment, because of the apparent instability of the security provided by real estate as a result of the abnormal price inflation. With a return of 7½ per cent. on mortgage loans, compared with an estimated average of approximately 6½ per cent. on the other forms of investment, the difference in the return would in the aggregate amount to a considerable sum. But with these securities for the most part negotiable, it is quite apparent that there is not lacking money in this country, but it is being barred from the purpose of building by the unfortunate conditions which have developed.

While the present rate on mortgage loans is around 7½ per cent. in Ontario there are indications that the rate will be readjusted at some time during the present season, and the prediction is being freely made that money will be loaned on real estate at 7 per cent. within a comparatively few months. While the reduction will not be of striking proportions, it will be regarded as a good omen, and will no doubt exert an influence in the building trades. The high rates offered by government and other gilt-edged securities renders the process of the adjustment of mortgage rates difficult at the moment.

Production of the Cuba Cane Sugar Corporation up to March 22 totalled 1,923,343 bags, of which 704,413 bags were produced by the Eastern mills and 1,218,930 bags by Western mills.

ABOLISH PART TIME AGENTS

The Ottawa Life Underwriters' Association will make a recommendation to the Insurance Department that action be taken to cancel the licenses of the part-time agents who refuse to devote their full time to the work of life insurance. In other words, the man who makes the selling of life insurance a side-line must either get into the business as a life work or get out of it altogether.

ADVOCATES TAX CONCESSION ON LIFE INSURANCE

The Exemption of Net Cost of Insurance From Year to Year

A practical, and what appears as an equitable solution of one point of contention between the life insurance companies and the government, the matter of the taxing of premiums paid on behalf of life insurance, has been formulated by F. G. Taylor, president of the Nova Scotia Life Underwriters' Association. In a communication to THE FINANCIAL POST, Mr. Taylor contends that in the matter of the federal income tax, a concession in the shape of an exemption should be allowed such persons as carry a reasonable amount of life insurance. In England, he points out, a certain percentage of a man's income is exempted provided that the amount covered by the percentage goes into life insurance for the protection of his dependents.

Stressing the value of life insurance not only to the individual but to the state, Mr. Taylor points out that a man who insures his life, the face of the policy being payable to his wife or children, is simply insuring the state or the city or the municipality against the possibility of his dependents becoming a public charge at some later date. It is of vital importance, therefore, to society as a whole that the governments, whether provincial or municipal, should not take any action which would tend to discourage the taking out of life insurance policies. If there were no such thing as life insurance, he adds, "one can readily appreciate that the almshouses and the poorhouses would in the near future be overflowing."

Plan Outlined

Mr. Taylor's plan provides for the total exemption of the first and second premiums on all new life insurance. For the third year the premium should be exempt, but the policyholder should be obliged to include in his statement of income the cash surrender value as stated in the policy. For the fourth and succeeding years the premiums should continue to be exempt, but the increase in cash surrender value from year to year should be included as income. In the case of old policies the plan calls for the exemption of the premiums and the increase in the cash surrender values for the year covered by the tax statement to be included as income. The plan practically provides in effect that the net cost of the insurance be allowable as an exemption under the act. Mr. Taylor concludes as follows:

I do not suggest that any person be permitted to put away a large part of his income in insurance from which he is going to derive personal benefit at a later date, and thus while he is making these payments obtain quite an exemption on his income tax. I am not asking an entire exemption of premiums, but merely the difference between the annual premium and the increases from year to year in the guaranteed cash value of the policy.

TORONTO CASUALTY FORMED

To Write Various Forms of Casualty and Marine Insurance

A new insurance company, the Toronto Casualty and Marine Insurance Company, has recently been incorporated with an Ontario charter. The authorized capital is placed at $1,000,000, divided into 10,000 shares of $100 each, and a first offering for public subscription of 3,000 shares at $125 a share is planned. As the name implies, this company will engage in the various branches of the casualty and marine insurance business, including burglary, automobile, fidelity and surety and other forms of insurance. A. J. Walker-Greig, of Toronto, the president and general manager, has had twenty-five years experience in all classes of casualty insurance both in Scotland and the United States. Other directors are the following: A. E. Wilson, Toronto; D. J. McDougald, Toronto; Dr. J. G. Hunt, London; L. O. Breithaupt, Kitchener; A. R. Hewetson, Brampton; John D. Claude Forsyth, Kitchener, and Dr. Forbes Godfrey, M.P.P., Mimico, Ont.

MARITIMES DO NOT ATTRACT FUNDS OF LIFE COMPANIES

Complain of Small Volume of Investments Compared With Revenue

From Our Own Correspondent.

HALIFAX. — THE FINANCIAL POST'S attention was called this week to a complaint lodged against the life insurance companies here, that while they draw large sums from Nova Scotia in premiums they make no return in the form of loans. A prominent insurance underwriter, in replying to this, remarked that the statement that no loans are made was not strictly in accordance with the facts. The Canada Life has almost $500,000 on loans in Nova Scotia; the Sun, the Confederation, the Mutual and other companies have smaller amounts.

One reason for the lack of loans on the scale they are made in the prairie provinces is that the interest rate is higher in that part of the country by at least one per cent. Another reason is that loans cannot be economically made without a complete organization for doing that kind of business and that there is not enough of it available in Nova Scotia to make this feasible. The expenses would be greater than the revenue warrants. Mr. Wilson, of the Canada Life, remarked that in the twelve years he has spent here in the service of his company there have not been half a dozen applications for loans on farms. The farmers in Nova Scotia do not develop as in the West and do not feel the need of borrowing as does the man on the prairies or where there is great expansion of operations. Farming here is on a smaller and more conservative basis.

In Municipal Bonds

The insurance companies invest to a considerable extent in municipal bonds in Nova Scotia, but not as largely as they would were the circumstances different. In this province the various issues are exceedingly popular with the local investing public. Hence specially good prices can be obtained by the municipalities. This has the effect of turning the attention of the insurance companies, in seeking for investments, to parts of the country where they can purchase municipals with less competition and at a lower figure. The Canada Life, for instance, however, has the sum of $287,000 invested in municipal bonds in this province and $207,000 in New Brunswick. The other companies have like proportions of investments in this form in these provinces.

Penniless Old Men
An Imperial Endowment Policy makes it easy for you to escape their bitter experience
The IMPERIAL LIFE ASSURANCE CO.
OF CANADA
HEAD OFFICE TORONTO

Interest Earnings
and
Savings in Mortality
are the two main sources of profit to policyholders.
THE DOMINION LIFE ASSURANCE COMPANY
has earned an average rate of interest of 7.41% during the last 15 years, and in that period its average mortality rate has been only 53% of the actuarial expectation.
Established 1889
Head Office - Waterloo, Ont.

OFFICES
Childs Building
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Absolutely modern, high-class space, divided to suit tenant. Ready for occupation by September first.
Arrange now for your new executive offices.
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Kent Building. Adelaide 3200

Headquarters for Investors
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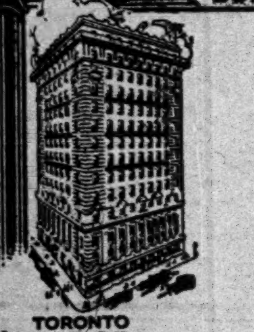
Western Assurance Company
Fire, Marine, Automobile, Explosion, Riots, Civil Commotions and Strikes Insurance.
Incorporated 1851
HEAD OFFICE, TORONTO, ONT.
Assets Over - - - $8,000,000.00
Losses Paid Since Organization - - - $77,000,000.00
BOARD OF DIRECTORS: W. B. Meikle, President; Sir John Aird, Robert Bikerdike (Montreal), Lt.-Col. Henry Brock, Alfred Cooper (London, Eng.), H. C. Cox, John H. Fulton (New York), D. B. Hanna, E. Hay, John Hoskin, K.C., LL.D., Miller Lash, Geo. A. Morrow, Lt.-Col. the Hon. Frederic Nicholls, Brig.-Gen. Sir Henry Pellatt, C.V.O., E. R. Wood.

British America Assurance Co.
Fire, Marine, Hail and Automobile Insurance
HEAD OFFICE - - TORONTO
BOARD OF DIRECTORS: W. B. Meikle, President and General Manager; Sir John Aird, Robt. Bickerdike (Montreal), Lt.-Col. Henry Brock, Alfred Cooper (London, Eng.), H. C. Cox, John H. Fulton (New York), D. B. Hanna, E. Hay, John Hoskin, K.C., LL.D., Miller Lash, Geo. A. Morrow, Lt.-Col. the Hon. Frederic Nicholls, Brig.-Gen. Sir Henry Pellatt, C.V.O., E. R. Wood.
Assets over - - $4,300,000.00
Losses Paid Since Organization, over - $47,000,000.00

ESTABLISHED 1872



THE immense resources of Canada must be developed to increase production of wealth sufficiently to take care of the country's indebtedness and to stimulate a continuous healthy growth. The Bank of Hamilton stands behind increased production and legitimate business enterprise.

BANK OF HAMILTON

BRANCHES THROUGHOUT CANADA

Mr. Manufacturer

Are you getting the best from your power?
If not—why?—and why not?
You want to reduce your costs.
How—We will tell you—That is our business.

We also handle new and used electrical machinery at attractive prices. Let us convince you.

The Industrial Engineering Company of Canada, Limited

Consulting Engineers — Electrical Equipment

Windsor: Royal Bank Bldg. — Toronto: Carlaw Bldg., 28 Wellington St. West

A LIFE INSURANCE POLICY IN THE ONTARIO EQUITABLE will give you TWICE THE SUM INSURED IN EVENT OF DEATH BY ACCIDENT

LOW PREMIUM RATES — SPECIAL FEATURES

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Head Office - WATERLOO, ONT.

Satisfactory Service Guaranteed

Prudential Trust Company, Limited

Dominion Charter authorizes the Company to act in the following capacities:
RELATIVE TO ESTATES—Administrator, Executor, Guardian, Management of Properties, Collection of Rents, Real Estate Bought, Sold, and Exchanged.
FINANCIAL AGENTS—Investments Made—Securities Held.
INSURANCE BROKERS—All lines—Fire, Marine, Accident, Liability, etc., placed in best Companies at lowest rates.
FIDUCIARY—Trustees for Bondholders, Transfer Agents, and Registrars for Stocks and Companies.
The business generally which a Trust Company may undertake alone, or jointly with one or more.

Consultation invited by letter or in person.

B. HAL BROWN, President. — J. P. STEEDMAN, Vice-President.

Head Office: MONTREAL

Branches throughout Canada and in London, Eng.

Banking Character

A BANK, as well as a person, has character and individuality built through the years of its existence by the difficulties it has overcome and the progress it has achieved.

The Bank of Toronto, which has been doing business in Canada for 65 years, represents strength, seasoned judgment, dependability, accuracy in handling details, and breadth of organization—all applicable to the handling of any matter you place in our care.

Your Banking Business is invited.

We Give Service

Thos. F. How, General Manager

THE BANK OF TORONTO

Incorporated 1855

C.P.R. PROGRAMME DISPLAYS GREAT FAITH IN FUTURE

Confidence of Management During Dark Days is Shown

BIG EXPENDITURES

Equipment Account Gives Some Indication of How Company Has Been Able to Keep Up Earnings

From Our Own Correspondent.

MONTREAL.—The detailed statements contained in the annual report of the Canadian Pacific Railway Company as issued on Wednesday of this week furnish above all a remarkable proof of the faith of the management of this great transportation company in the future development of business in Canada, and should prove a most effective tonic from a constructive standpoint at this period. In spite of a load of excessive operating costs that have staggered most of the strongest roads in America, and a surplus on railway operating account that almost touched the vanishing point, this company during the past twelve months devised and set in motion some tremendous plans for expansion. Herein lies, probably, the most impressive factor in the whole statement of operations. There was expended in equipment of various kinds over $18,000,000, and a sum of $18,733,000 was paid up to the end of 1920 on account of six ocean vessels whose estimated cost will run to $31,175,000. During the present year it is planned to expend the sum of $12,200,000 on this account alone.

Moreover, the sum of $4,316,236 is asked for under capital expenditures on railway account. Then comes a statement massing the operations of the war and post-war period to date, 6½ years: an expenditure on capital account of $88,000,000.

The figure representing the total assets indicates most succinctly the proportions and steady growth of this enterprise: at the end of 1920, $1,105,388,185, indicating an increase over that of 1919 of $26,611,000, which in turn was $23,500,000 in advance of 1918. Since 1910 the assets have far more than doubled, for then they were only $459,000,000; since 1900 they have quadrupled, from $279,000,000.

Of the total assets the property investment is placed at $567,283,037, compared with $548,458,756, a gain of $19,000,000 for the year, compared with an increase of $6,000,000 the previous year. Ocean and coastal steamships are valued at $43,695,645, compared with $29,894,172, an increase of almost $14,000,000, and acquired securities, $124,469,836.

Among investments and available resources are deferred payments on lands and townsites, $70,968,761, against $66,659,932; assets in lands and properties, $91,977,838; miscellaneous, $35,056,459; government securities, $33,916,466, etc., a total of $272,807,797.

"Working assets" are valued at $86,997,319, as follows:

Working Assets

	1920	1919
Supplies on hand	$33,734,639	$21,990,868
Agents' balances	4,298,448	3,618,072
Traffic balances	6,011,475	809,397
Govt.'s accounts	1,110,084	4,176,804
Miscellaneous	11,751,730	7,576,884
Cash	30,090,941	53,519,420
	$86,997,319	$91,691,447

The "reserves and appropriations" will provide a most comfortable form of reflection for the investor in C.P.R.—suggestive that a single year's surplus, be it large or small, need cause no worry. After indicative equipment replacement of $4,230,786; steamship replacement of $22,922,912, and reserve for contingencies, and contingent war taxes of $49,160,236,—a total of $76,313,935—there remain in addition:

Reserves

Prem. on ord. store sold	$ 45,000,000
Net proceeds lands and townsites	96,610,805
Surplus rev. from oper.	127,725,728
Spec. res. for Dom. taxes	31,144,249
Surplus in other assets	98,064,988

Among the important features of the president's report are the following:

Working Expenses 84.70

The working expenses for the year, including all taxes, amounted to 84.70 per cent. of the gross earnings, and the net earnings to 15.30 per cent., as compared with 81.39 per cent. and 18.61 per cent. respectively in 1919.

$12,000,000 From Chicago Award

The gross earnings of your transportation system during the fiscal year under review exceeded those of 1919 by $39,712,289, and the net earnings by $220,008. This large addition of $39,492,281 in working expenses is due to the enforced application in Canada of what is known as "The Chicago Wage Award," which added approximately $12,000,000 to the pay rolls for the year; the increase in the cost of fuel and materials and the charging of the year's Federal taxes into operating expenses, where they properly belong. While, for the reasons mentioned, the net earnings are not commensurate with the volume of business transacted, still in the opinion of your directors the year's operations must be regarded as satisfactory and compare most favorably with those of any other system on the American continent.

Sales of Land

The sales of agricultural land in the year were 468,390 acres for $9,592,706.95, being an average of $20.48 per acre. Included in this area were 47,848 acres of irrigated land, which brought $50.43 per acre, so that the average price of the balance was $17.07 per acre.

Your approval will be asked to construction of an extension of Suffield southwesterly branch from Lomond, distance not exceeding thirty miles, and for the issuance and sale of a sufficient amount of 4 per cent. consolidated debenture stock to meet the expenditure.

76 Miles in Quebec.

In order to ensure the development of that portion of the Province of Quebec situated south and east of Lake Temiskaming your directors have entered into an agreement with the province for the construction by your subsidiary, the Interprovincial and James Bay Railway Company, of a railway extending from Kipawa to Des Quinze River, with a branch to Ville Marie, having a total mileage of 76 miles. Sudsidies of $8,000 a mile in cash for 66 miles and 4,000 acres of land per mile of the entire railway have been voted, which will, of course, substantially reduce the cost of construction to the company. A productive agricultural area of large extent and valuable timber lands will be opened and served through the construction of this railway.

Nearly Half Stock in Great Britain

The position of the holdings of common stock as of March 1 of this year was as follows:

	Shares.	P.C.
United Kingdom	1,242,837	47.80
Canada	460,838	17.73
United States	626,510	24.10
France	79,123	3.04
Other holdings	190,692	7.33
	2,600,000	

Earnings

Passengers	$ 49,125,738.88
Freight	145,303,399.70
Mails	1,498,231.14
Sleeping cars, etc.	20,713,979.58
Total	$216,641,349.30

Working Expenses for the Year

Transportation	$ 86,608,611.54
Maintenance of way	32,573,927.27
Equipment	46,350,792.61
Traffic expenses	4,999,345.21
Sleeping car	2,492,640.78
Steamers	1,492,991.54
General expenses	8,969,995.75
Total	$183,488,304.70

Receipts

	1920	1919
Cash in hand at beg. of year	$53,519,421	$39,548,416
Surplus rev.	21,877,635	22,271,526
Special inc.	10,966,448	9,049,341
Land dept. net rev.	3,852,376	4,654,512
Sales secur. and deb. stock	11,359,692	9,017,458
Incr. in cur. liab., rentals leased lines and coupons, res. and appropr.	22,929,153	24,760,570
Miscellaneous	38,682	53,240
Total	$124,643,409	$109,335,065

Expenditures

	1920	1919
Div. pref. stock	$ 3,227,276	$ 3,227,276
Div. ord. stock	26,000,000	26,000,000
Const. br. lines, add. equip't. steamers, including ocean and coastal	32,625,753	2,384,753
Spec. inv. fund	7,021,866	6,607,318
Secur. acq'd.	3,434,244	6,034,211
Eq. oblign's pd.	1,440,000	940,000
Incr. work. assets and adv. to contr. props., etc.	20,803,326	2,782,322
Pop. sub. ser. Gov. loans	....	2,037,981
	$94,552,468	$55,815,645
Cash in hand, Dec. 31	30,090,941	53,519,420
	$124,643,409	$109,335,065

CANADIAN SALT

Shareholders Asked to Ratify Bond Issue—Needs Additional Capital

Shareholders of the Canadian Salt Company have been asked to attend a special meeting, to be held in Montreal on April 7 for the purpose of ratifying a by-law authorizing the issue of general mortgage serial gold bonds of the company to the amount of $1,000,000. According to the circular accompanying the notice, of the proposed issue of $1,000,000 of 7 per cent. twenty-year bonds, $356,000 will be reserved for the redemption of the first mortgage bonds. It is proposed to sell only $400,000 of the balance at the present time, the remaining $244,000 being reserved to provide funds for extensions and betterments from time to time. The proceeds of the $400,000 now to be sold will be used for funding capital expenditures already made, for providing the money required for certain additions and improvements and for increasing working capital. It is essential, the circular points out, that the working capital be increased, owing to the fact that additions and improvements made during some years past, chargeable to capital account, have been paid out of it, and that as it is now necessary to carry larger and higher priced stocks of materials and supplies, the working capital is insufficient to properly conduct the business of the company.

Judicious Financing

Whether you are engaged in agricultural, manufacturing, industrial or merchandizing pursuits, your prosperity depends primarily upon the judicious handling of finances.

This Bank offers you a constructive, stabilizing service, coupled with competent advice, and is willing to foster enlargement on safe lines.

Make a banking connection conducive to sound growth. Consult our local manager.

IMPERIAL BANK OF CANADA

216 BRANCHES IN CANADA.

Agents in Great Britain: ENGLAND—Lloyds Bank Limited, London and Branches. SCOTLAND — The Commercial Bank of Scotland, Limited, Edinburgh and Branches. IRELAND — Bank of Ireland, Dublin and Branches. Agents in FRANCE: Credit Lyonnais, Lloyds and National Provincial Foreign Bank Limited.

FIRST IN CANADA

One of the most remarkable reforms in modern Life Assurance methods is the issuing of policies without Medical Examination. This was first introduced into Canada by the Northwestern Life Assurance Company three years ago.
It has proved such a popular form of policy that now, after our three years' successful operation of this plan, other Canadian Life Companies are following our lead, thereby endorsing the far-sighted and progressive methods of the Northwestern Life.
There is no trouble or delay in taking out this policy—and no medical examination.
Other offices take only $1,000—we take up to $2,500 without Medical Examination.
The Northwestern is a good company to insure in, and a good company to represent.

Head Office:
166 Donald Street, Winnipeg

The NORTHWESTERN LIFE ASSURANCE COMPANY — NORTHWESTERN BUILDING — WINNIPEG CANADA

Industrial Financial Corporation Of Canada, Limited

Suite 303-304 Webster Bldg.
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Companies Organized for Development of Canadian Industry

Industrial, Mines, Public Utilities Stocks and Bonds bought and sold.

No proposal too small for courteous and prompt attention. None too large for our facilities.

Your business respectfully solicited

L. R. STEEL SERVICE CORPORATION LIMITED OF CANADA

Investment Securities

Branch Offices:

MANITOBA: Winnipeg, Brandon; ONTARIO: Port Arthur, Sault Ste. Marie, Sudbury, Haileybury, Oshawa, Hamilton, Kitchener, London, Brantford, Chatham, Stratford, St. Catharines, Windsor, Peterboro, Ottawa, West Toronto; QUEBEC: Montreal, Quebec, Sherbrooke, Three Rivers, St. Hyacinthe, Westmount; NOVA SCOTIA: Amherst, Halifax, Sydney, New Glasgow; NEW BRUNSWICK: St. John, Fredericton, Moncton; PRINCE EDWARD ISLAND: Charlottetown.

Executive Offices: Lincoln Bldg., Buffalo, N.Y. — Canadian Executive Offices: Royal Bank Bldg., Toronto, Canada

A NEW PROFESSION

Men of character and ambition can find satisfaction only in a business or profession that will make their life work really worth while and, at the same time, offer opportunities for quick financial success.

The Life Insurance field points the way.

The work, the opportunities, and the financial rewards are most attractive. But, first of all, if you have any preconceived ideas about the business of life insurance, we ask you to set them aside and look at the work from the present position it has attained through new and scientific methods such as those adopted by the Canada Life.

Would you like to be in a business that will give you

A GOOD LIVING

A PROFITABLE FUTURE

A PROVISION FOR OLD AGE

We teach a man the Insurance Business, which offers permanent success, does not fluctuate, is a professional occupation, and has been truly named "the best paid hard work in the world."

This is done by a correspondence course and personal assistance, free of charge.

When he is fully prepared for the work, we place him in a position and help him to make good.

The first two lessons of the Company's correspondence course will be sent to anyone interested. It will pay men who desire to get on in the world to look into this.

All correspondence strictly confidential.

CANADA LIFE ASSURANCE COMPANY

Head Office - TORONTO

PRACTICAL BUILDINGS
COBB
ARCHITECT, TORONTO

CANADIAN CAR & FOUNDRY COMPANY, LIMITED, Montreal

DIVIDEND NOTICE

NOTICE is hereby given that a Dividend of one and three-quarters per cent. (1¾%) on the paid-up Preference Stock of this Company for the quarter ending March 31st, 1921, has been declared payable on the 11th day of April, 1921, to Shareholders of record at the close of business on the 26th day of March, 1921.

By Order of the Board.

A. C. BOURNE,
Secretary.

Montreal, March 18th, 1921.

Howard Smith Paper Mills, Limited

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of 2% on the Common Stock, and 2% on the Preferred Stock of the Howard Smith Paper Mills Limited, has been declared for the quarter ending the 31st day of March, 1921, payable on the 20th day of April, to Shareholders of record at the close of business on the 9th day of April, 1921.

By Order of the Board.

HAROLD CRABTREE,
Secretary.

Montreal, Que., March 14th, 1921.

DOMINION TEXTILE COMPANY, LIMITED

NOTICE OF DIVIDEND

A DIVIDEND of one and three-quarters per cent. (1¾%) on the Preferred Stock of the DOMINION TEXTILE COMPANY LIMITED, has been declared for the quarter ending 31st MARCH, 1921, payable APRIL 15th, to shareholders of record MARCH 31st.

By order of the Board,

JAS. H. WEBB,
Secretary-Treasurer.

Montreal, 28th February, 1921.

Dominion Coal Company Limited

NOTICE OF PREFERRED STOCK DIVIDEND NO. 62.

A QUARTERLY Dividend of One and Three-quarters per cent. on the Preferred Stock of the Dominion Coal Company, Limited, has been declared, payable 1st May, 1921, to Shareholders of record on 12th April, 1921.

By Order of the Board of Directors.

C. S. CAMERON,
Secretary.

Montreal, March 21st, 1921.

THE KING EDWARD HOTEL Company, Limited

DIVIDEND NO. 5

NOTICE is hereby given that a dividend of Five per cent. on the capital stock of this Company has been declared, payable April 15th, 1921, to shareholders of record at the close of business, April 1st, 1921.

By order of the Board,

W. K. FRASER,
Secretary.

Abitibi Power & Paper Co. Limited

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of One dollar per share has been declared on the Common Stock of the Abitibi Power & Paper Company, Limited, payable the 15th day of April, 1921, to shareholders of record at the close of business the 5th day of April, 1921.

By order of the Board,

L. R. WILSON,
Secretary.

Nova Scotia Steel and Coal Co., Ltd.

DIVIDEND NOTICE

A DIVIDEND of two (2%) per cent. on the Preferred Stock and one and one-quarter (1¼%) per cent. on the Ordinary Stock of the Company has been declared, payable on April 15th, 1921, to shareholders of record at the close of business on March 31st, 1921.

By Order of the Board.

THOMAS GREEN,
Cashier.

New Glasgow, N.S., March 24, 1921.

McINTYRE PORCUPINE MINES LIMITED

(No Personal Liability)

DIVIDEND NO. 13.

NOTICE IS HEREBY GIVEN that a dividend of 5 per cent. (5%) on the issued Capital Stock of the Company will be paid on the 2nd day of May, 1921, to Shareholders of record at the close of business on April 8th, 1921.

By Order of the Board.

M. P. VAN DER VOORT,
Secretary.

Dated at Toronto, March 28th, 1921.

U.S. IMPORTS FOR FEBRUARY WERE CUT SOMEWHAT

Were $17,600,000 Less Than During Previous Month

NEW FRENCH TREATY

Particulars of Trade Agreement Announced at Ottawa—What Principal Changes Signify

OTTAWA.—The decline in both import and export trade continues, the figures for the twelve months ending February showing a decline in total trade of nearly $40,000,000, imports being over $15,500,000 lower and exports reduced by more than $24,000,000. During the month imports from Great Britain fell off about $3,250,000, and from the United States over $11,600,000, and the only country from which there was any considerable increase in imports was British Guiana, with an increase of nearly $2,000,000. In the matter of exports there was a decline of over $9,500,000 to the United Kingdom, while to the United States they remained within a few hundred thousand dollars. There were declines of about $2,000,000 in each case to Belgium, France and Greece.

Total trade for the year was about $240,000,000 greater, exports had decreased more than $56,000,000, while imports showed an increase of over $296,000,000. From the United Kingdom, during the year, we increased our imports by over $116,000,000, and from the United States by over $124,000,000, although the proportionate increase was much greater in the former case. In the same time our exports to the United Kingdom declined over $184,500,000 and to the United States increased over $95,000,000.

The biggest increase in any single item has been in sugar and molasses, which is over $2,000,000 greater than last month, and increased over $21,000,000 for the twelve months. This increase is one of the most interesting items in our trade returns. We imported over $57,000,000 worth more of this class of goods in the present year than in 1919. The phenomenon is commonly attributed to the increased demand for sweets caused by the diminished supply of liquor.

New French Treaty

The promised particulars regarding the new trade treaty with France are as follows:

1. Canada shall apply to the importation of products originating in or from France such tariffs and taxes as are most favorable granted or eventually to be granted by Canada to products from any third power except the United Kingdom as well as from British dominions and possessions.

2. Canada shall grant most favored nation treatment with respect to exportation, transhipment, consumption duties and internal taxes.

3. France agrees to extend until the conclusion of the new commercial convention in favor of Canadian products imported into France, the application of the system provided for in the conventions of 1907 and 1909, subject to the amendments and additions contained in the following articles.

4. Among goods enumerated in Schedule A of the convention of 1907 goods in Schedule 1. of this Modus Vivendi shall cease to enjoy the minimum tariff, but shall have a certain percentage, as set forth in the schedule. Such percentage shall bear on the difference between the general tariff rate and the minimum tariff rate, and shall remain the same irrespective of any rebate or increase of duties, coefficients, or surtaxes which may be provided for thereafter by France.

5. In addition to products enumerated in schedule A of the convention of 1907 France shall admit products enumerated in schedule II. to the benefit of the minimum tariff or of a rate percentage as may be determined by said schedule. Such percentage as fixed by the said schedule shall bear on the difference between the general tariff rate and the minimum tariff rate. Such percentage shall remain the same irrespective of any rebate or increase of duties, coefficients or surtaxes which may be provided for thereafter by France.

6. This arrangement shall remain in force until the conclusion of a new commercial convention, but each party to it shall be free to denounce it after four months' notice.

The principal Canadian products which no longer benefit by the minimum tariff, with the percentage of preference they enjoyed, are as follows:

Cast iron, foundry iron, forge pig for refining, with less than 25 per cent. manganese; also ferro manganese and allied classes of ores, 15 per cent.; wrought iron, in blooms or bars, 50 per cent.; bar, angle, or T iron, axles and tyres in rough, 15 per cent.; steel bars, axles, tyres and sheets, 50 per cent.; gloves, 50 per cent.; steel and iron tubes and jointings, 20 per cent.; furniture, 50 per cent.; pianos, organs, harmoniums, etc., and parts, 50 per cent.

The chief products which will enjoy the minimum tariff or a percentage of reduction are as follows: Minimum tariff: Prunes, apricots, chocolate, oils, hops, petroleum, and other mineral illuminating oils; heavy oils, certain cobalt products, soaps (not perfumed), steam engines, pumps, compressors, agricultural machines, detached bases of machinery, transmission, carriages of steel or iron and detached pieces of frames supporting pressed or soldered steel plate auto chassis, stereo plates and plates and dies for printing (except wall-paper), certain household wares and articles of enamel, tin, or plain, not otherwise specified.

The articles enjoying a proportion of reduction are as follows: Varnishes, 20 per cent.; machine tools, 50 per cent.; locks and padlocks, 40 per cent.; certain detached pieces of machinery and articles of two or more metals, such as brass cocks and appliances for water, gas and steam, 50 per cent.

TO CONTROL FARES ELECTRIC RAILWAYS

Bill Introduced Aims to Give This Power to Ontario Railway Board

In view of the demands of the London Street Railway Co. for an increase on fares, and the labor difficulties resulting from the refusal of the city council to make any concession in this matter, a bill introduced into the Ontario legislature, which provides in effect for the transfer of absolute control to the Ontario Railway Board of electric railway fares throughout the province, is of particular interest. The bill follows a model similar to that introduced during the last session by Mr. McCrea and which was regarded at the time as an effort to secure increased fares on the Toronto Street Railway.

Four important proposals are included in the bill; the first, making all electric railway fares subject to the approval of the Ontario Railway Board; the second, making it possible for the council of any municipality, with the approval of the board, to enter into agreement with a railway company, without a vote of the people, on matters affecting other than franchise rights; the third, providing that 60 days after the board has taken possession of an electric railway, the municipal council and the company having failed to reach an agreement, the board shall upon the application of either party make such orders as it deems just and reasonable, and fourth, where a company's franchise has expired, and the municipality does not desire to take over the operation of the road, the company may apply to the Ontario Railway Board for the right to increase fares.

WESTINGHOUSE MAKES FAVORABLE SHOWING

Record Volume of Shipments During 1920—Earnings Slightly Lower

Shareholders of the Canadian Westinghouse Co., Ltd., at the annual meeting held in Hamilton this week received with approval the financial statement covering the company's operations for the year 1920. Earnings for the year were slightly down from the returns for the previous period, standing at $1,251,080, compared with $1,416,205. The sum of $225,000 was written off for general depreciation and a reserve of $110,000 was created for the payment of federal taxes for 1920, leaving net profits of $916,080.

From the year's profits, dividends at the rate of 7 per cent. per annum, and an extra dividend of 2 per cent., were paid, amounting to $615,524, leaving a balance of $300,555 carried forward to profit and loss account, which shows at the end of the year a surplus of $2,114,828 exclusive of all reserves.

Shipments during the year marked a new high record, and the year closed with a large volume of orders on hand. For the purpose of securing additional working capital, made necessary by the increased business and activities of the company, the outstanding capital stock was increased from $6,229,400 to $7,417,900 by the issuance of 11,885 new shares.

During the year the company extended its activities in the electrical field by undertaking the manufacture of incandescent lamps. Various additions to the plants and their equipment have also been completed due to the generally increased output requirements.

DULUTH-SUPERIOR

For the week ending March 21, earnings of the Duluth Superior Traction Company amounted to $35,287 as compared with $38,654 for the corresponding period in 1920, a decrease of $3,367 or 8.7 per cent. For the year to date the earnings at $402,884 showed a falling off of $25,961 or 6.1 per cent.

SEARS, ROEBUCK DIVIDEND

Passed on Account of Merchandising Conditions

Sears, Roebuck & Co., Chicago, have passed the quarterly dividend on the common stock due at this time. Previously the company had been paying 2 per cent. quarterly. The last dividend was paid on February 15 and was in 6 per cent. scrip. The passing of May dividend on Sears, Roebuck & Co. common has been definitely determined by the directors, who have authorized the following statement:

"The beginning of this year found the company with a large stock of merchandise and an accumulation of indebtedness caused by the general slump in business and greatly reduced demand for winter goods due to lack of cold weather. Expenses have been curtailed and sales are showing substantial increases. March sales will be approximately $13,500,000 which is 16 per cent. more than March, 1919, and only 29 per cent. less than March, 1920. Conditions of the company have greatly improved since January 1 and liabilities are being materially reduced. The company has no commitments direct or indirect other than those necessary for the current conduct of business upon present volume of sales and all of company's commitments are based on present level of prices."

The Greatest Invention of the Age in the Advertising World!

Offering of

20,000 Shares

Business Directory Service, Limited

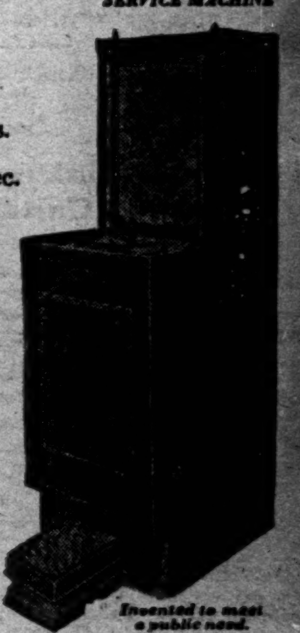
(Incorporated under the Quebec Companies Act)

No Personal Liability

AUTHORIZED CAPITAL - - - - - - - - - $2,000,000
divided into 200,000 Shares of $10 Par Value, of which 20,000 Shares are now offered to the public.

BANKERS:—DOMINION BANK, MONTREAL.

OUR ADVERTISING SERVICE MACHINE



Invented to meet a public need.

OFFICERS AND DIRECTORS:

J. H. DANSEREAU, Lumber Merchant, Montreal, President.
O. BROUILLARD, M.P., Lumber Merchant, Montreal, Vice-Pres.
S. E. DUVECK, Broker, Montreal, Secretary-Treasurer.
D. H. PENNINGTON, Mine Owner and Lumber Merchant, Quebec.
J. R. DUCKETT, Montreal.
J. K. ASHWORTH, Engineer, Montreal.
W. C. LINTON, Patent Attorney, Montreal.

PURPOSE OF THIS ISSUE

The BUSINESS DIRECTORY SERVICE, LIMITED, was organized for the purpose of buying out the Canadian Automatic Directory Co. Limited, which holds the patent rights to an Advertising Service Machine. The Company has made a considerable outlay of money during the eight years it has taken to perfect the invention and now that the Machine is ready for use by the public it finds itself in a position where it requires additional working capital to finance the undertaking. The possibilities of the company are simply immense and in the shares of the company investors will find one of the greatest opportunities ever offered to them.

SOURCES OF REVENUE

A. THE CLASSIFIED DIRECTORY

Every name shown on the cards in the machine will be charged for on the basis of $10 a line per year. Each machine will have a capacity of 55,000 lines.

From the information that has been compiled we find there are at least 20,000 subscribers to be obtained in the Province of Quebec. 15,000 of these at an average of one line and a half would produce a gross revenue of . . $225,000

B. THE DISPLAY ADVERTISING

The subscribers' names on each sheet will be surrounded by a margin of space available for display advertising. This space will be divided into certain sizes and sold on a contract basis, by the inch.

There will be available on each card for display advertising an average of 270 inches. There are 50 cards to each machine, so there will be 13,500 inches of space. On the basis of the tariff decided upon, the average price per inch will be approximately $15 per year. 13,500 inches at $15 per inch $202,500

Calculating that only one-half the space is sold, the revenue for 12 months would be. $101,250

ESTIMATED EARNINGS FROM PROVINCE OF QUEBEC ONLY

From Classified Advertising		$225,000
From Display Advertising		101,250
		$326,250
ESTIMATED OPERATING EXPENDITURE IN CONNECTION WITH THE ABOVE OPERATIONS, FOR THE PROVINCE OF QUEBEC ONLY:		
Administration and general expenses	$20,000	
Agents' remuneration and commissions	108,750	
Taxes	3,000	131,750
Leaving a balance equal to 9¾% earned on the whole capital from the operations in the Province of Quebec alone.		$194,500

On the basis of the above calculations the revenue from the other Provinces would, on the most conservative estimate, show a net surplus of $1,115,000 for a complete year's operations, equal to over 55% on the outstanding capital stock.

PRICE: $10. per share

Make your cheques, money orders, etc., payable to the order of the Company.

BUSINESS DIRECTORY SERVICE, LIMITED
222-224 ST. JAMES STREET, Bank of Ottawa Building, - MONTREAL

SEE THE MACHINE IN OPERATION AT OUR OFFICES AND CONVINCE YOURSELF OF ITS GREAT POSSIBILITIES.

Everybody smokes